Vital Questions of the Day

James P. Boyd

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JAS. P. BOYD, A. M.

Vital Questions of the Day,

OR HISTORIC AND ECONOMIC REVIEWS OF

The Issues of Labor;

Doctrines of Free-Trade and Protection; Tariff Legislation; The Silver Question, and American Reciprocity;

Political Revolution of 1892;

Industrial and Commercial Panic of '93 and '94;

Coxey's Crusade;

The Pullman Boycott and Railroad Strike;

and

The Wilson Tariff Bill,

Together with a National Portrait Gallery of Labor Leaders and Statesmen of all Parties.

By James P. Boyd, A. M.,

Author of Lives of Grant, Sherman, Sheridan, Blaine, History of the Crusades, etc., etc.

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Jas. P. Boyd, A. M.

INTRODUCTORY.

THERE never was a time in the history of this great Republic when agitation extended further and covered so many vital questions. It seems to be an era of mental unrest, in which every subject is made to pass the ordeal of fresh inquiry, and much that was old and settled is either repudiated entirely or dragged into the arena of debate to be overhauled and modernized.

Some deprecate such an era and such a tendency, especially in a Republic whose youth permits a freedom that may be taken advantage of by its dangerous elements, and whose laws are so framed as to provide the fewest number of counter-checks to agitation. But there is really no cause for alarm. Indeed, we are optimistic enough to believe that agitation, even in the many peculiar forms it has for the present assumed, is a source of safety rather than danger. Under any system of government there must come periods of dissatisfaction and unrest, else there could be no progress. Ebullition is a way nature has of purifying and reconstructing herself. Man is but nature, in the respect that when the forces which drive him into a social or political state, and operate to keep him there, have begun to chafe, disappoint or tire, there should be an attempt at re-adjustment, either of the force to the man, or the man to the force.

And in no field can this take place so swiftly and effect-

ively as in a Republic. The very freedom allowed to inquiry, to agitation, or even to that license of dispute which is too often inseparable from folly, frenzy or something worse, is in itself a safeguard, for the waters that are carried away by free flow, or are allowed to spread out into harmless shallows, are not the dangerous waters, but those which are pent up behind barriers subject to sudden breakage by wind-gusts or to secret undermining by sullen depths. The cause that finds a nest in a single brain, or a spot for incubation in a society, may prove to be no cause at all once it is at large and fair game for the arrows of outer inquiry. There is nothing risked by the assertion that a far greater number of incipient revolutions die by simple contact with larger ideas than by the strong arm of the law.

This, however, is saying but little other than that the American people as a community, and by virtue of their intelligence and patriotism, are to be trusted to solve their own problems, no matter how intricate or curiously presented. This is in strict accord with the spirit of our institutions, and, as a rule, the people have not shirked their responsibility. They have entered campaigns with zeal, have spoken with fire, have read with industry, have voted as they willed, have accepted verdicts cheerfully where they were emphatic.

Equally, the people have been prompt to correct their own misjudgment. They are doing it now. The present era of ferment is in one sense a confession of error, in another sense a getting ready to do what seems to lead to betterment of conditions. It is a campaign between campaigns—a perpetual inquiry, a constant agitation, a continuous mooting of the theories of government, of social problems, of industrial questions, of commercial principles, and even of moral regulations. Say not that

the people are indiscreet in thus agitating what concerns them most. They have been driven to it, perhaps by their own folly, perhaps by unsuspicious acquiescence, perhaps by deliberate imposition. Say not that even the manner of agitation is wrong. It is only such as it can be, confused where aims are not clear, assertive where convictions are strong, tyrannical where organization is complete, grotesque where assumption is wild, incendiary only when absurdity leaps its narrow boundaries.

It is not the object of this work to settle any one question of the day for any one mind. That would be a hopeless task. But since the people have taken so largely to themselves the discussion and solution of that which concerns their home, family, labor, food, raiment, education, money, personal rights, economy, and morals, the author of the work has thought that he could help those of reading habit or inquiring turn by a reasonably full and fair presentation of the many questions that enter into the agitations and comprise the issues of the times.

He enters on his work all the more heartily because of a supreme confidence in the scholars now to be found in the American schools of practical life. These scholars are the toiling, thinking million, anxious and able to grasp what concerns them, and to lift themselves to higher estate. It is no argument against all that a few are unwise. It is no discouragement to a writer or teacher that some refuse to learn. The fact cannot be gainsaid that the spirit of inquiry is abroad as it never was before. The era of unrest is fully upon us. The meaning of it all is that more than has hitherto been given is demanded; that less shall be taken for granted than heretofore.

No problem of the hour, no issue of the day, is entirely independent of every other. Many of them spring from

a common source, and most of them are interwoven like the fabrics of the loom. Hence the folly of supporting one by striking at another nearly akin to it. Hence the danger of building up one on the ruin of another. Nothing of value exists without reason. Nothing of value can be permanently overturned or beneficially changed without reason. Therefore, in espousing a cause, shaping an issue, or seeking a result, it is most important to know what other interests are affected, and how far you can antagonize them without endangering your own. It is easy to find in this work a review of those issues which bear on each other, whose discussion requires the recognition of others, whose successful solution demands the preservation of others.

No agitation, however confined to the surface, ought to be ignored. But to be commended it ought to strike below the surface. To be effective it must rise from serious depths. It must break strata and give new form to things. But its directive energy should never be at fault. It should be as intelligent to create as it is desirous to destroy. Hence, we conceive that a work of this kind, and at this time may have a value far beyond books wedded to a single idea or a particular theory. It is not a book of advocacy, but a work of presentation. Its limit is to living issues, or to those things which men are struggling for in thought and hoping for in heart. Considering existing conditions, whatever their form, there is nothing so close to the common mind and to the universal welfare as the subjects contained in this volume. They are all such as the people themselves have made for the author, not such as the author may have selected for the people. The volume is far more the book of the American masses, looking toward light, striving for betterment, than the work of one seeking

the fatherhood of pet doctrines or the exhibition of individual fancies.

Fulness commensurate with the space at command has been sought. Frankness has been a constant aim. Disputation has been ignored. The historic method has been preferred. There is no issue without two or more sides. The sides are here given in calm review. The period is one of campaign, but not of passion; one of ferment, but not of revolution, at least not necessarily; or if so, of peaceful revolution. In a word, the author has striven to send forth an educative medium, agreeable to consult, safe to rely on, no matter what may be the preconceived notions of the reader. Of the timeliness of such a work there can be no manner of doubt. The issues here involved are pressing; so pressing, indeed, as to defy the tradition of political parties, to threaten peace and prosperity, and to demand such attention from legislators as they have been all too tardy to give. The more active the spirit of unrest, which is hardly else than the spirit of inquiry, the more promptly it should be met with the spirit of intelligence. Light diffused through a dark or confused situation is the most welcome light. It may dazzle at first, but it will be cheered in the end. We are all history makers, as well as makers of our individual and aggregate welfares. It is the part of unwisdom to hew and frame and build in darkness.

Fortunately for the author, the publisher has come to his rescue with a beauty and wealth of illustration which adds greatly to the charm and value of the book. The most notable public men of the day are presented in living likeness within the compass of the volume, thus supplementing issues with champions and opponents, intensifying the interest of readers, and identifying argument with

personality. This pleasing and instructive feature, will be found as agreeable in a work of this kind, and quite as much a part of its merits, as the elaborate art which is relied upon to commend volumes which are wholly descriptive, or whose popularity depends on the picturesque alone.

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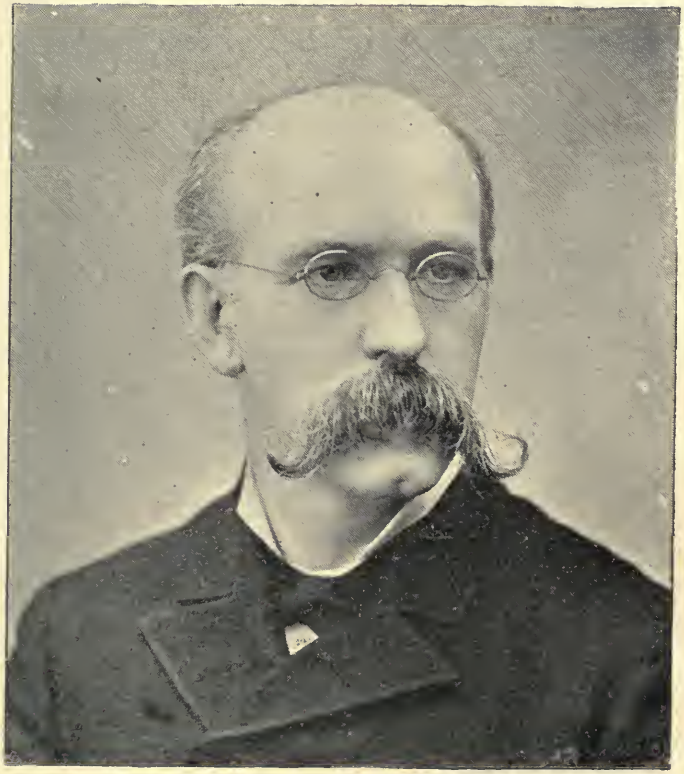


TERRANCE V. POWDERLY,
Ex-General Master Workman Knights of Labor.

THE LABOR ISSUES.

In any civilized country, labor issues are complex. They are especially so in the United States. One would suppose that they should be simpler, less frequent and less bitter in a country where freedom so abounds, intelligence is so widely diffused and industrial opportunity is so inviting, as in this. But these conditions seem to promote rather than settle labor problems. At any rate labor issues were never sharper, more numerous or more involved than at present and right here in this goodly land. They are given social shape and made to play a part along the entire line from anarchy to the highest type of communism. They are given political shape and made to shade off the professions and practices of parties. They are given economic shape and made the subject of debate in voluminous treatises.

The mood of labor is not a happy one. Many of its issues are hastily framed and angrily presented. Others are weak and foolish. Still others are sheer inventions of demagogic enemies of true labor, and forced upon it with malign spirit. All this is most unfortunate, for there is no cause higher than that of labor. It concerns every man, woman and child who seeks honest bread by the sweat of the brow, who toils with hand or brain. It equally concerns capital, which is only stored up labor. It ought to be the best studied and most patiently elaborated of all causes; and so it should be the most clearly understood. All its issues should be deliberate. Thus only can its victories be permanent and valuable.

Labor is normal; idleness abnormal. Labor is a blessing;

idleness a curse. Honest labor is the most staple of all commodities. One of the issues presented by labor is that its values, that is, its wages, are exempt from the natural laws of supply and demand. This theory is taught by many agitators, and insisted upon every time an attempt is made to establish artificial wages through the agency of labor unions. It is a theory which is denounced when applied to railway pools, speculative "corners," and all combinations other than labor, which have for their object the forcing of prices above or below what an honest demand warrants. It is a theory which fails of support in all legitimate commercial transactions, and as to all wages earned by that class of toilers who work with the brain. Precisely why muscle should claim exemption from the universal law of supply and demand is not made plain. The theory no doubt took shape in factory cities and towns, where labor becomes closely aggregated and finds great difficulty in resisting attacks on it by moving to places where it would meet with a greater demand. Once the theory found even this limited support, it was an easy thing to extend it to all sections and all classes of labor.

The organization of labor in this country is very complete, in so far as it is effected by the unions, or guilds, belonging to the trades. These unions had their inception in a sincere desire to better the general condition of the class of labor they represented. The object sought was to be obtained by discussion of vital questions, unanimity of purpose, general elevation of the membership. No object could be more exemplary or worthy of encouragement. So long as it was kept steadily in view labor could not suffer, but on the contrary was bound to enjoy larger rewards, for as it increased its self-respect and grew in intelligence it was but laying the foundation of a larger demand for it.

But as time passed, and as a rule, the primitive labor unions underwent many and serious changes. Even the most cautious and sedate guilds found themselves endowed with a power which they could turn into attack upon capital, or which, at least, brought them into antagonism with employers. From this time on the lines began to be drawn more tightly between labor and capital, or employee and employer. Aggressiveness on the part of one was met with hostility on the part of the other. The guild, or union, enlarged its laws and operations, and stood as the representative of its membership upon any and every question touching its existence as an organization, as well as upon every issue that might arise between it and those who opposed it. It became a close corporation, with many objects in view which were clearly foreign to its inception.

But even with its consciousness of enlarged power, with its leanings toward exclusiveness and its antagonism of capital, which was but labor in another form, with its limitations on apprenticeship, with its exaltation of a "strike," which is war, into a rational argument, the union, with all its departures from original intent, had still a legitimate sphere of action. It cannot be said that it has not done much to ameliorate labor conditions, wherever it has presented its issues with intelligence and fairness, and it will continue to do so as long as it resists passion and adheres to the reasons which brought it into being. The union that has preserved its independence, that has elaborated its views with care, that has understood best the true relations between employer and employee, is a more powerful agent than ever before for the achievement of legitimate aims. On the contrary, the union that is organized solely for defiance, that loses itself in clouds of selfishness, that retaliates at every fancied wrong, that looks upon its mission as one of

arbitrary demand, that cultivates antipathy between itself and the capital it creates, that refuses to recognize the relations of business, the forms of law, the principles of every day justice, weakens its power as an agent of labor and as the representative of a noble cause.

It was but natural that the distinct and local unions should coalesce in the cities and large manufacturing centres. This coalition was an element of strength, and a direct encouragement to that wider combination which sought to nationalize the cause of labor. Engineers, miners, iron-workers, craftsmen of nearly every kind, threw their local unions in with a central organization, and began to seek their rights through amalgamated effort.

It may well be doubted whether this tendency toward the naturalization of the local unions has proven wise. It has certainly been at the sacrifice of the independence of the lesser guilds, and very many of them, representing trades of the highest skill and intelligence, have persistently refused to make the surrender, preferring to trust to their individual power to achieve their aims. More than this, it has subjected the local unions to a series of embarrassments they would have escaped if amalgamation had not been thought of, or if it had extended no further than to the unions within a certain locality and having large common interests.

The amalgamated, or national union operates under a code of laws, which, for the most part are extremely rigid, and is presided over by a master whose authority is practically undisputed. He is a *master* in the broadest sense, and may order with all the confidence of a Cæsar. This supreme sway is a source of danger to national unionism and has proved the death of many of the general organizations. But this is not the only defect or danger of the national plan of presenting labor issues and solving labor problems.

JOHN W. HAYES,
General Secretary Treasurer Knights of Labor.

There are two other defects, and they are both so vital as to lead to the conviction that the cause of true labor has lost more by amalgamated, or national unionism than it has ever gained by it. The first of these two defects lies in the fact that national unionism, when incorporated into a government as necessarily absolute as it must be, opens the door to individual ambitions and to a management, at once costly and dangerous. It becomes a playground for those who seek power for selfish ends and who glory in the exercise of tyranny. The idle man who is a born agitator and possesses political shrewdness finds here a field he can cultivate at the expense of the true laborer, the unsuspecting guild and even the cause at large.

The second of these defects is the impossibility of co-ordinating and adjusting the different conditions and interests of the same kind of labor, in a country where diversity is so great and natural as this. It may be that a certain class of labor is unjustly suffering in one section while it has nothing to complain of in another. Yet, supposing that a strike be the method of relief agreed upon, the uncomplaining section must either join in the strike directly, or indirectly by sympathy; stand a tax for the benefit of the general fund, or else lose caste and run the risk of expulsion.

Take the bituminous coal sections of the country, say in Pennsylvania, Ohio, Illinois, Maryland, West Virginia, Alabama and Colorado. The mineral is the same, the class of labor the same. Yet in some sections veins are large and mines are shallow. In others veins are small and mines are deep. In some living is dearer than in others. In some coal cannot be marketed as cheaply as in others. Different scales of wages prevail in the different sections, different conditions in every respect. Yet, as has just been exemplified by the almost universal coal-strike, the contented labor

of one section is forced to go to the rescue of the discontented labor of another. Natural conditions are ignored, and a majority is made to suffer for the benefit of a minority. It would seem next to impossible for labor thus to run counter to all the laws which capital is forced to obey, and at the same time hope to benefit its cause.

The great, strong arm of the labor union, its final argument, is the "strike." It may well be questioned whether the "strike" is the evolution of American intelligence and American conditions. It may equally be questioned whether it has the sanction of the majority of organized labor in this country, or the moral sanction of any native, intelligent labor. We speak now of the "strike" in the sense of an open, coercive force—the "strike" as a supreme fiat—the "strike" as a defiance of order, law, and every right secured to the non-striker. For there are strikes upon strikes. None can doubt the right of a man to quit work when dissatisfied with his wages or employer. None can doubt the right of a guild or union to declare a strike, if it means thereby that its members shall quit work in a body, the better to secure thereby a just aim. It might not be well to inquire too far into the logic of such a method, while the doors of argument, conference, arbitration and compromise are open. It is only after these are supposed to be shut that the strike is robbed of arbitrariness and begins to have a logic.

The strike of which we speak is that which came to be known as the Homestead strike, the railroad strikes of 1892–93, the coal strikes of 1894. These all presented labor issues in such a way as to lead to the exercise of force on the part of labor and of counter-force on the part of the owners of property and the authorities. They involved the entire subjugation of unionists to the supreme orders, the denial

of the right of non-unionists to work, the burning of the property of employers, the death of all who contravened the commands of leaders and masters. They were not more strikes than conditions of war. In this sense, it ought to be said, for the credit of American labor, that the strike is a foreign evolution which has unhappily found lodgement in our country.

Now even such strikes may not be without their uses. They may at the start embody a righteous claim, even though it were lost through excess of passion. Subsequently, when the storm had passed, such claim might have been cheerfully granted, for capital is sensitive, especially in certain precarious forms of investment, and seldom sleeps with more than one eye shut. They may also, even where unsuccessful, serve to indicate a general spirit of unrest which both employers and legislators will hasten to take cognizance of.

The claims advanced in behalf of the final appeal of labor, known as the strike, is that labor is subsistence, and therefore entitled to use the highest argument, even the ultimate argument of force, for its own protection. Capital combines for its purposes, why should not labor? Employers operate at times in a spirit of tyrannical selfishness, and are deaf to every appeal and blind to every sense of justice, nothing will touch their consciences so keenly as the blow direct at their pockets. The claims might be further elaborated but these are the jist of those in popular use. Whether they vindicate the strike, peaceful or forceful, as a last argument, must be left to the discretion of the reader.

There is, however, another side to all this, and it must, in pursuance of our plan, be stated, not by any means in the interest of employers nor in sympathy with capital, but for the sake of true, intelligent, progressive labor. As already

stated, no cause is nobler than that of labor, and no organization is of greater moment, if legitimate. Man is social; laboring men particularly so. They require social recreation and entertainment, co-operation and fraternal interest in cases of misfortune, means of negotiation with employers as to wages, hours, privileges, recreations and sanitary regulations, libraries, lyceums, schools for the study of technical subjects. These truths may be accepted as the elementary principles of associative labor. All else is departure from them, and all else raises the question as to how far existing labor associations are benefitting the cause at heart.

"Every rise of wages," says Jervous, "which one body secures by mere exclusive combination represents a certain amount, sometimes a large amount, of injury to the other bodies of workmen."

Says J. Stewart Mill, "The time is past when friends of human improvement can look with complacency on the attempts of small sections of the commnnity, of whatever class, to organize a separate class interest in antagonism to the general body of laborers." The Duke of Argyle calls attention to the fact that there is a law of inequality as all pervading and omnipotent as the law of equality, and that the spirit of association which insists on absolute equality is in direct contravention of a law as potential as that which it espouses.

Every economist of repute admits the righteousness of the associative principle, but all lament its faulty application. So every true friend of labor seeks to stay the swift modern drift of that principle toward the danger line, and to swing it back to safe moorings. And first of all it is sought, leastways thought wise, to put a brake on that spirit and temper of association which encourages enmity toward capital. This sentimental enmity has been strongly encouraged, not so

P. M. ARTHUR,
President of the Brotherhood of Locomotive Engineers.

SAMUEL GOMPERS,
President of the American Federation of Labor.

much by reason of association in itself, as by reason of that secret jealousy in human nature which extends toward those believed to be better off than ourselves; and it has become almost a habit to think and speak of labor and capital as irreconcilable enemies. Nothing could be farther from the truth, else why the law, whose proof is in daily observation, that when one suffers both suffer, and when one prospers both prosper.

Those who seek this correction of the associative principle are clearly in the right, for there are far too many leaders and agitators of political turn who seek a living and reputation by fostering the enmity above mentioned. They find in the labor organizations machinery and a half-molded disposition ready at hand to gratify their desire for gain, love of notoriety and a sense of power.

Again the question is put as to whether the labor combinations as they exist at present, are not in opposition to individual industry and excellence and do not tend to drive members toward dependency. The road toward dependency lies in failure to rely on one's own merit, and in trusting wholly to an organization to fix wages and regulate employment. Labor is not that necessary evil, the less of which we can get along with the better, It is rather that staple, the more demand for which the better. Anything which tends to make it inefficient or dissatisfied is not in its true interest, neither does it conduce to the elevation of character or the formation of sterling manhood. The spirit of labor combination is a yearning for equality, a levelling process, by means of which inefficiency is placed on a par with efficiency. Thus there is a descent of real excellence till it meets demerit, and the balance is no higher than the original level. There are waves and troughs, but in time of calm the sea is in its same old condition.

Well may the intelligent American laborer ask, can I afford to surrender my liberty, skill, duty, and conscience to any tribunal that arrogates to itself the power to order me out and in, regardless of personal choice? Is not such surrender a confession that I am no longer responsible for my conduct, nor confident of my ability to take care of myself? These questions do not imply that there is any lack of the benevolent or charitable principle. They do, however, suggest that charity is one thing and business quite another. But here the laborer makes no mistake, unless all the business world is at the same time mistaken, for even the business man who gives most will not admit charity as a business partner into his firm.

It is in this surrender of personal independence to the combination that the latter finds its encouragement to use arbitrary means to secure its aims. Every surrender is an evidence of weakness. The organization is numerically one stronger, but it is still stronger, in case it resolves on an arbitrary measure, by reason of the submission it has secured. It is thus, as it were, doubly fortified for its purposes. It is thus doubly prepared to insist on even the rectitude of a strike, if that be the measure.

And now that we have seen the claims made for a "strike," and about all the uses it can be made to subserve, let us glance briefly at the counter logic. Take as an instance the notable strike of 1886, on the Gould system of railroads extending from St. Louis to Texas. It had its origin in the discharge of a single union man and the substitution of a non-unionist. This small beginning proved to be a trickle of water through the breast of a dam. The aperture enlarged and the stream increased till it burst into a torrent which carried thousands of men out of good places of employment, swept thousands of others, dependent on

them, from their moorings, unhoused and impoverished the families of all, interrupted for weeks the business of four states, devastated valuable property by fire, resulted in the death of scores of seekers for work, converted all the promises of a prosperous business year into disaster. Labor alone lost in that year, by reason of this disturbance, millions of dollars. No economist of any school has ever figured a recompense equal to that appalling sacrifice.

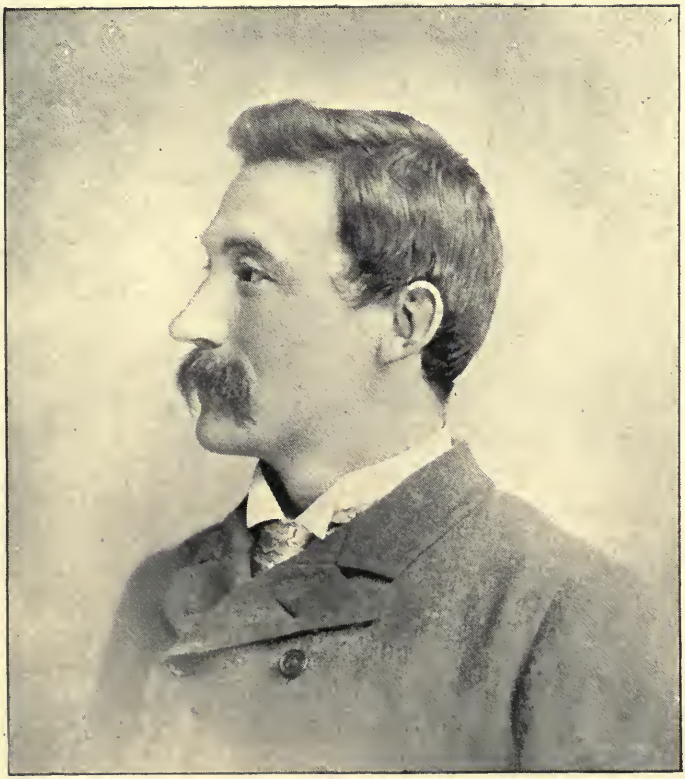
But the worst feature of this strike, a feature too often found in subsequent ones, was that, while claiming to be a strike for the maintenance of a principle, it was not spontaneous but ordered, not voluntary but compelled by agitators who did not belong to the ranks of the workingmen. In that same year occurred the tanners' strike of Salem and Peabody in Massachusetts, accompanied by force and destruction. It began in July and peace was not fully restored until November. A careful summary of results was made, which showed that most of the strikers lost their places and had to move to other places at a loss of $456,408 dollars, outside of what they received from the Knights of Labor, had they continued work. This history was repeated in the strike of the Chicago pork and beef packers of the same year, except that they were plunged into greater misery by being "ordered out" on the eve of winter, and therefore all the more exasperated at sight of others occupying the places they had been, by "superior decree," forced out of.

Labor has never put into statistical form, nor incorporated into its economics the advantages derived from any of these strikes. This omission leaves one in the position of suspecting that the losses and miseries entailed exceeded the benefits, and that the cause was retarded rather than advanced. They were a presentation of issues out of time, and in a way, which defeated themselves. They were more

warfare than strikes, and their burdens were felt in the shape of taxes, by every union man belonging to the respective organizations. There is a bold fact staring American labor in the face, and that is that despite unrestricted immigration, wages here are double what they are in Europe, and further, that the average price of labor here is double what it was thirty years ago. It ought to be made plain that the various labor issues as presented in their forceful, violent, incendiary and bloody forms, in their forms of final appeals and last resorts, are to be credited with all or some of this difference, all or some of this increase. But books and theories are alike silent; the more so, because it is patent to even the most ordinary mind that the above wonderful and encouraging results are due wholly to the operation of peaceful and natural laws.

Of a piece with the strike, is the "boycott." It too is unbusiness-like, revengeful and un-American. The right of a wage-worker to buy in the lowest market, or where and what he pleases, is a right as sacred as that to work for whom and what he pleases. If the injustice of the "boycott" touched only the member of the union whose product he is compelled to buy to the exclusion of every other, it might be regarded as justly retributive, but his family may be made to suffer thereby, to say nothing of the injury to society at large, of which every laborer is a part.

The labor issues of the day, as presented by the combinations, are not fairly representative of labor as a whole. The organizations do not represent the entire labor of the country. It may be safely asserted, indeed statistics prove, that but a small part of the manual laborers of the country belong to the organizations. And yet, notwithstanding this disparity, there is presented the very singular spectacle of a part assuming to be equal to the whole.



J. R. Sovereign,
General Master Workman Knights of Labor.

There is also presented the further sad spectacle of an animosity between parts as bitter as that between labor and capital. The non-unionist is labelled a "scab" and "black-leg," and denounced as one criminal to his craft, and what is most singular is that writers and speakers on labor subjects, men supposably imbued with true philosophy and running over with philanthropy, never allude to this great unorganized majority of labor, but mention it only in organized minority form. Though law-abiding citizens, entitled to encouragement and respect, this majority exists without friend or plea, arbiter of its own destiny, free from interference by agitator, demagogue, or political solicitor.

It certainly was not the original design of labor combinations in this country to foster the socialistic spirit, either by leaving behind natural and business principles or by any system of compulsion, any more than it was the original design that the strike should take the form of murder and burning. But in the latter case we have seen how utterly impossible it is to control passion in the midst of excitement incident to a strike, and what propensity there is for resentment to take destructive turn, especially as the issue at stake assumes doubtful and desperate form. So in the former case, in spite of orginal theory, the labor and socialistic organizations, notably in the larger cities, have drifted so closely together as to be almost identical. The cause of labor may not be so much attracted by socialism, as the cause of socialism by labor, yet the result is almost the same as if the attraction were mutual.

Socialism is particularly alluring to ignorant labor and especially to labor of a foreign type, with its crude notions of individual freedom under republican institutions. It is this class of labor that is most susceptible to those socialistic vagaries which have for their object the estrangement

of labor and capital and the inculcation of the spirit that because the results of accumulated labor are not shared equally the laborer has been treated unfairly and has not had his just dues. Now in speaking of socialism we do not mean that socialism which is prompted by the fraternal spirit, but that which preaches the doctrine of a "grand divide," which is alien in its composition, which deals in fiery declamation against property and capital, whose spirit is destructive, not constructive, whose genius is that "the world owes every man a living" no matter how lazy, improvident and reckless he may be, and that the man who has accumulated property by patient toil must divide with him and keep on dividing. Labor—honest, intelligent, true labor—cannot afford to present its issues under any such socialistic banners as the above, for in the end the alliance will prove a source of weakness rather than strength. There is still another kind of socialism, represented by many schools, which seeks the nationalization of industry by due forms of law. Of this we shall speak further on.

The great number of strikes in this country shows inherent faith in them as a means to an end, or else a fatuity wholly inexcusable and beyond the power of ordinary reason to comprehend. In looking back over them and judging them by their practical results, one is astounded at the small amount of gain to the cause of labor in proportion to the self-imposed penalties it pays. The bituminous coal strikes of 1894 were general and apparently well organized. The Miners' Union was strong and headed by an able official. The active strikers were backed by "sympathy" strikers, till the whole number out of work, directly and indirectly, numbered, by estimate, 225,000. The strike lasted about two months. Mr. O'Brien, the head of the miners, estimated the loss, direct and incidental,

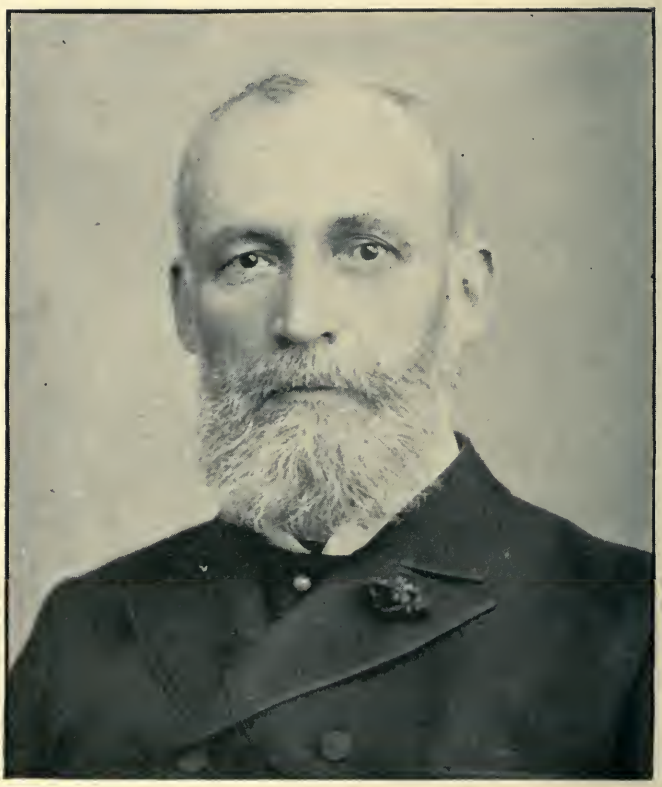
occasioned by the strike, at $20,000,000 for the first month. For the two months it would be $40,000,000. Though the active strikers succeeded in getting four cents more per ton for mining than the operators at first offered, they fell short of their demand by ten cents a ton, according to the Columbus settlement. But for a compromise, even this would not have been gained. The men resumed work, where they resumed at all, in grumbling, dissatisfied mood. It may well be asked whether the strike was the best way of handling the issue. Leaving out all question of loss of life by violence, and of property by burning, did it pay?

Take the instance of labor issues as presented in Australia in 1892. Labor unionism had there a domination more complete than anywhere else in the world, indeed, so complete that the strikes there of that year were for the absolute and universal recognition of the organizations and not for higher wages; so complete that four long, desperate, co-operative strikes were carried on, involving interests and localities entirely distinct from the original controversy, and carrying distress, bankruptcy and panic everywhere. In no case did the issues hinge upon the question of wages, but solely on the demand for the exclusive recognition of unionism. The issue was false to true labor. The unions were disrupted and went down amid the wreckage of colonial industries. Chaos ruled where prosperity had presided. What true labor gained was freedom, but despite the strikes and the strikers. The escape of labor was from the tyranny of its own organizations.

Allusion has been made to the fact that labor organizations discourage apprenticeship. Here they are seriously at issue with themselves and their cause. Even if they thus succeed in keeping up wages by keeping down competition, it can only be for the existing generation. The

question arises in this respect as to whether the issues of labor could not be better presented and solved, and as to whether far more likely remedial agencies for the vast amount of social and economic infelicity of the day could not be found, in the direct opposite of this treatment of the generations that are to succeed the present. Take, for instance, the trade school as one of those agencies. Says Hon. S. B. Capen: "That there is a special reason for trade schools is made more apparent when we remember that out of every hundred boys that pass through our grammar schools only one per cent. enter the ministry, one per cent. become lawyers, one per cent. physicians, five per cent. business men, and ninety-two per cent. get a living by their hands. Are we doing what we ought for the ninety-two per cent.?"

Says another writer: "The trades-unions in these cities (New York and in the Eastern States) are controlled by foreigners who seek to confine their industries to men of their own nationality. They not only refuse to teach an American boy a trade, but they combine to prevent him from getting employment after he has succeeded in learning it in a trade school. This is a situation of affairs without parallel in any country of the world, and one which will not be tolerated in this country when once public opinion has been roused to a full comprehension of it. It is surely not too much for the American people to say that their own sons shall not only be permitted to learn trades, but shall be permitted also to work at them after they have learned them. We advise any one desirous of seeing the kind of skilled workingmen that the American boy makes to visit Col. Auchmuty's schools (New York City) and look over a set of photographs of his graduates. He will find there a body of clear-browed, straight-eyed young fellows



HON. WILLIAM M. SPRINGER.

Born in Sullivan co., Indiana, May 30, 1836; moved to Illinois, 1848; graduated at Indiana State University, 1858; admitted to bar, 1859; Secretary of Illinois State Constitutional Convention, 1862; member of State Legislature, 1871–72; elected to represent Thirteenth District in Congress, in 44th, 45th, 46th, 47th, 48th, 49th, 50th and 51st Congresses; elected as a Democrat to 52d Congress by a majority of 5000; Chairman of Committee on Ways and Means; an excellent parliamentarian, able orator and recognized party leader; was prominent candidate for Speaker of 52d Congress.

who will compare well with the graduates of our colleges. This is the stuff from which laborers are made who honor and dignify and elevate labor, not by agitating, but by being masters of their craft, faithful in performance, and willing to share its toil with all comers, fearing honest competition from no quarter. Such men are at once true American laborers and true American citizens of the highest type, and the educational system which evolves them is a national benefaction of incalculable value."

Having spoken of the tendency of organized labor to become socialistic in its demands, we will now speak of socialism, or communism, in its political sense, or as a possible political framework. Socialism, in this sense, made a start in this country as early as 1840, and numbered among its adherents, writers and speakers, many distinguished men, one of the most conspicuous of which was Horace Greeley. It was in abeyance during the Civil War, but again became prominent after the panic of 1873, and when industrial and economic questions took the place of the old slavery agitation. It soon assumed two forms—(1) the form of socialism in general, which embraced any and all plans favoring the abolition of private capitalism and looking to the substitution of some form of co-operative industry. (2) The form of socialism in particular, or, in other words, "Nationalism;" which insists on the economic equality of all citizens as the necessary and sole guarantee of individual liberty and dignity; and that the industrial organization shall be on the lines of the national political organization, and take effect through the nationalization of industry. Of this latter socialism, *i. e.*, the National School, Mr. Edward Bellamy may be said to be the most popular teacher. He regards Coxeyism and all labor strikes as evidence of a growing feeling on the part of the people that an economic

system for the provision of labor for the people is a proper function of government.

In speaking of the coal miners' strikes of 1894, Mr. Bellamy says: "These strikers are in resistance to the tendency to lower wages, by which means the managers of our business operations are seeking to load upon the working classes the losses and damage consequent upon the recent and continuing business crisis. There is no hope in the long run that these strikes in resistance to lowering wages can succeed. The only hope for the laboring classes is the collective or public conduct of industry by the people through their governmental agencies for the common interest. More and more the working masses are beginning to see that this is for them the only way out."

And as to the Coxey movement, or "March of the Commonwealers," he says: "These movements are eminently socialistic in character inasmuch as they appeal to the principle of the collective or public organization of industry, but the members of these various armies are very probably not themselves avowed nationalists or socialists. In seeking relief from the present industrial pressure they naturally and necessarily find themselves obliged to use the socialistic or nationalistic method. Circumstances have forced them upon socialistic lines of action."

And as to what the future development of such movements would be, he said: "While it is easy to predict the ultimate outcome, it is not possible for any one to predict the methods and the precise steps by which the result will be brought about. I confidently anticipate that within fifteen years the people of the United States will have committed themselves definitely to industrial reorganization on lines of nationalism, that is to say, the setting aside of the private conduct of industry in favor of a co-operative organ-

ization on a national basis, in the common interest. I expect in the meantime, and in the near future, to see a series of extraordinary popular demonstrations which, it is to be hoped, will be peaceful in character. While there may be, and doubtless will be, many deplorable instances of violence, and perhaps some bloodshed, I do not believe that a great war, or any war will be needed to bring about the new order of things. I believe it will be accomplished in the main by a peaceful revolution, and I believe that the beginning of that revolution is close at hand, if, indeed, it may not be said to have already begun. We need apprehend no such scenes of violence in the course of our impending revolution as marked that in France, for the reason that the general intelligence of our people is, beyond all comparison, superior to that of the French masses at the time of the revolution. They were then in the condition that the Russian peasantry are now in. I base my belief that this revolution in this country will come peacefully, chiefly upon the fact of the high intelligence of the American people."

Mr. Bellamy's intelligence, optimism and altruism, cannot be decried, but still he is confronted, as all socialistic theorists are, with the great fundamental question as to how legislation can be made to change human character. Can brotherly love and morality be inspired by an act of Congress? Yet legislation is to be invoked for every ill, real or imaginary. There must be laws against injustice; against too long hours of work; against competition in labor and trade; against trusts and corporations; against scarcity of money. Coal mines, iron mines, gold and silver mines, railways, telegraphs, are to be nationalized. The millenium is to be brought about by coercive legislation. An able writer compares this ideal situation to

Babel. He says: "And now there comes a band of earnest men and women who see plainly the evils of the times, and who would give up much to help their fellow men. 'Come, brothers,' they say, 'and let us be brothers indeed.' We will make a tremendous, a sky-reaching, an all powerful law, that all men are and shall be brothers; that no one shall have more of the world's goods than another; that each shall give his best work and best endeavors for the common good of all. We will all work for the Government and the Government will feed us all. We will have no more poverty and no more riches, but all shall work and eat at the nation's table, and none shall be kept in idleness or go away in hunger. This is the plan of the Nationalist. It is the loftiest structure of its kind that the mind of man ever sought to rear; for socialism thinks to outwit Mother Nature herself, and to legislate the law of the survival of the fittest off the face of the earth. It is the modern tower of Babel; but it is not built of bricks, but of men; and the mortar of legislation never can make a man stay put. The law of evolution is superior to the laws of men. Before man was, it was; and yet, like the Babel of old, he thinks to overtop it."

The great question for industrial energy and all true labor to consider is whether it does not require less rather than more legislation. It is unlike everything else in the world if it does not seek to live along the lines of least resistance, and this implies the least possible restriction and the greatest amount of natural freedom. Socialism may be both earnest and truthful when it descants upon "wage-slavery," but after all, is there any coercion so dangerous as that which would sweep away all individual liberty? The employer is often more of a slave to competition and markets than the wage-earner is to toil; and how often

HON. HORACE BOIES.

Born in Erie co., N. Y., December 7, 1827; started, a poor boy, at sixteen, for Racine, Wis.; worked on a farm for a time and returned to New York; admitted to bar of Erie co., 1852; elected to Assembly, as a Republican, 1853; nominated a second time and defeated; moved to Waterloo, Iowa, 1867; practiced profession, and became large land owner; left the Republican party on account of its prohibition doctrines in 1883; advocated Cleveland's election in 1884; favors tariff reform, but not unqualified free coinage; nominated for Governor, on Democratic ticket, in fall of 1889, and elected; a Congregationalist, strictly temperate, and a patron of fine-stock raising.

have those who declaimed most loudly against "oppressors," proved to be worse oppressors with a change of conditions. Socialism, in blotting out all individual liberty, would seem to invite a harder slavery than it seeks to escape from, for under any compulsory plan for working, eating, sleeping, clothing and living, it would necessarily be subject to the whims of a few official dictators chosen by the majority.

Mr. Bellamy thus draws the line between Socialism and Anarchy in this country:—

"I should say that the American people are making considerable progress in clearing up ideas on the socialistic question in general. Five or six years ago even intelligent people were not ashamed of confounding Anarchism and Socialism. Few intelligent people would be likely to fall into that error now. The present system of society is more near to the Anarchistic idea than that which Socialists would wish to see introduced. The root and idea of Anarchism is the abolition of governmental regulation, or co-ordination in collective interest; whereas it is the aim of the Socialist to bring about precisely that regulation and co-ordination of industrial forces in a common interest—to prevent that is the object of the Anarchist.

"Two policies could not be more diametrically opposed than those of the Socialist and Anarchist. People were once apt to class them together, but I do not think that they are likely to do so now. That was one of the old blunders. It should not escape attention that the present Socialistic wave which is sweeping over the country has its rise in the West, in those States which are almost entirely populated by the old American stock. Almost without exception those men and women who have thus far been prominent as leaders of the various branches of this movement, have

been American not only by birth, but by descent and traditions. There could be no worse blunder or one committed in more complete disregard of the facts than to fail to recognize this distinctively American origin of what has been called American Socialism."

But notwithstanding his optimism, the question is an open one as to whether, outside of the band of honest social theorists, there is not another band composed of ignorant, unassimilated alien elements, and of downright lazy and vicious home elements, which is stranger to every fraternal or unselfish spirit, yet which finds encouragement for the rankest anarchism in the hopes raised by socialism, and which would find in the triumph of socialism its coveted opportunity for the confiscation and division of accumulated wealth, and for the destruction of state and institution. And another question, almost as momentous, is open, and that is as to how far socialism, even in its best form, tends to eliminate from society all the elements of human character and independent manhood. Is it not an appeal to the lower passions in that it is wholly materialistic, believing in externals rather than in what is inherent and of the mind and soul. Every argument based on the unequal distribution of wealth touches a chord of envy and avarice in the bosom of the selfish.

This theory that all industrial conditions would be improved by government tutelage, leads to a consideration of that phase of control of labor which has for its object the settlement of disputes by means of governmental arbitration. One of the births of later times has been the theory that the general Government should take the issues between labor and capital in hand and dispose of them by means of "Compulsory Arbitration." Much as this theory finds favor in certain quarters, it does not commend itself to

the better judgment of either labor or capital, and its defect is patent in the term itself, for the arbitrament that is desirable in all such issues, and the only one that can ever be satisfactory, is the one that involves a compromise and agreement. The word "Compulsion" is foreign to the spirit of satisfactory compromise and equitable agreement. It implies, at the start, an absolute surrender of personal judgment on the part of disputants, a humiliation neither capital nor labor would voluntarily undergo. It implies again an interference on the part of strangers to disputes which carries the confession that the disputants are unable to control their own affairs. Moreover it implies a power on the part of arbitrators which is despotic, and at variance with the spirit of all mutual contract. "Compulsory Arbitration" has all the seeds of discord in its principle, and in its practice would prove to have all the hardships of a tyranny.

In this and all liberal governments, one principle must be accorded and guaranteed as an essential corner-stone, and that is the right of the individual to freely contract. Every law and custom which interferes with this supreme right is arbitrary and tyrannous. Many of the States have within the last few years, and in obedience to the demands of labor, instituted by law a system of arbitration boards, whose business is to settle disputes between employers and employees. This class of legislation may have been instigated by a humanitarian or philanthropic spirit, and ostensibly in the interest of labor, yet certainly at its expense, so far as its virility and productiveness depend on free conditions, prevailing confidence and general prosperity. Labor can create its demand by its inducements to start new enterprises and enlarge old ones. Intelligent capital shrinks from investment where the labor conditions invite to uncertainty,

turmoil and destruction; and it shrinks no less from that intolerable interference and friction caused by the stepping in of a State for the purpose of construing its contracts and establishing its rights.

The general plan and operation of the arbitration tribunals in the States that have adopted them are similar, though they differ in details. Perhaps it is too early to say whether they are meeting the expectations of those who favored their institution. They have, no doubt, served a good purpose in staying hostility where passion had gotten the better of reason, but that their arbitraments have proved to be any more satisfactory or permanent than those otherwise brought about cannot be asserted with truth. They are, in principle, such a wide departure from established judicial usuages, and are, in some States, so freely endowed with power over contracts, as to be regarded curiously as a novelty and studied seriously as an innovation. Without mentioning the reflection they contain on the regular courts of justice, which have from time immemorial been relied on to construe and execute civil contracts, one cannot withhold surprise at the right reposed in some of these tribunals to make new contracts for parties disputant, and to fix prices for them without regard to the laws of supply and demand. If this right be one of an impartial and general kind—and unless it is so, it is arbitrary and should not exist—it could with equal propriety be extended to the fixing of prices for all labor products such as food, clothing, etc., and so to the running of every kind of business. This would surely be paternalism on the cyclone principle. It would quickly banish every kind of investment as well as labor from a State, and leave a wilderness behind.

Until such time as human judgment is confessedly at a discount on the part of both employer and employee;

until there is such a general failure of manhood independence as to amount to a confession of weakness and inability; it is impossible to conceive of a plan of settlement of labor issues which shall prove more satisfactory than "Voluntary Arbitration." This kind of arbitration means the full exercise of judgment by both disputants, and implies no surrender of manhood. In the interpretation and enforcement of existing contracts it is cheaper, speedier and often more satisfactory than the regular processes of law. Voluntary arbitration is carried on by various methods, one of which is for each side to choose an arbitrator from its own numbers, and the two to choose a third. It is easy to see that this method must in its practical workings, prove far superior to any "Compulsory" method or to any system of State tribunals, for it insures a board of arbitrators who have expert knowledge of the industry concerned, which is a matter of great moment and is not assured by the compulsory boards. But even voluntary arbitration is, according to some able writers, defective and dangerous the moment it assumes to set a price for the product in question and to force that price on unwilling purchasers in defiance of the general laws of supply and demand.

In order that voluntary arbitration may be entirely effective it should be conciliatory. Indeed it has been thought that "Conciliators" would be a broader and better word than "Arbitrators," as implying higher knowledge of details, a larger spirit of concession, greater confidence in the tribunal and its judgments. The history of labor issues abounds in striking instances of the satisfactory and permanent results flowing from "Conferences of reason," wherein disputants have gathered in a friendly way to frankly hear and be heard. In such instances the wholesomeness of the situation is improved by the fact that each side is not yet

stripped for a fray, as it is when the issue has gone into a court of justice, or been appealed to a State board of arbitrators. Therefore the passions have less to do with results, and the possibilities are greatest for the free play of all that is voluntary, friendly, reasonable and fair. No issues appeal more strongly to the combative element in human nature than those of labor, hence none should be more eager to introduce and use the counteracting qualities inherent in heart and head, in order that a noble cause may stand forth panoplied in its highest and best forms of logic and reason.

Among the many solutions of labor issues no one has been the subject of more profound study or has been received with greater favor than the principle of co-operation, or profit sharing. If it be true that the unsympathetic hardness of the employer is the seed of coercive unionism, the principle of profit sharing destroys that seed, for the employer then divides his mastery with the employee. If it be true that capital is that monster which is ever lying in wait to devour helpless labor, then is the monster shorn of strength, for it agrees to reciprocate with labor and offers to share its real or imaginary advantages. On the other hand if labor be that fickle, uncertain, heartless thing, which repels capital and forces it to hide in a strong box, then is labor, the coquette, invited to a marriage with capital or at least to an intimate family friendship.

Now the chief strength and greatest beauty of the above situation is that capital has disrobed itself of all tyranny and selfishness, and wholly met the prejudices and arguments of labor, to the effect that there is natural and eternal enmity between it and capital. Again, labor confesses that its dread of capital, and its antagonism to it, was more assumed than real, and that an harmonious alliance may be not only grand in principle but highly profitable.

Thus whether labor and capital have reasoned backward from their stubborn clashes to a rational beginning, or whether they have both entirely circumnavigated the world of hostile organizations, strikes, arsons and bloodsheds, they are each back to the starting point, which is simply the infallible law that in all production the natural unit is the combined employer and employee, or the wedded labor and capital. No matter which be cart and which horse, the hauling can be done only when they are hitched together.

Just here arises a thought which has as much concern for labor as capital. If their interests are mutual, have not their estrangements been mutual? Have they not come about for causes beyond the control of each, and is there anything essentially unnatural and vicious in them? In earlier times, before the era of great factories, furnaces and mining and railroad operations, requiring capital so large as to be impossible without a combination of purses; and also before the era of guilds and unions; the employer and employee were close together, face to face as it were in the same workshop. As the combined, or corporate capital passed into the hands of officers, or mere official representatives, the real owners became further and further removed from the employees; and as the invested capital became more and more subdivided in the shape of shares of stock and was scattered far and wide, it easily came to pass that the entire capital of a concern had no intimacy at all with its employees. The same system of estrangement went on with labor. As labor extended and became specialized, it fell under the heads of divisions, or bosses; and it further took affairs into its own hands through the unions; thus gradually working its way backwards from capital, just as we have seen capital working its way backwards from labor. While there is nothing designed or criminal in all this;

while, on the contrary, it may be treated as a normal tendency, and in no sense a reason for bitterness and antagonism between capital and labor, it is none the less a misfortune, whose cure lies along the lines of larger mutual consideration.

As to employers, or rather as to invested capital, it was travelling on those lines of mutual consideration, or should have been doing so, when it was face to face with the labor it employed. It should be doing so still. In the plan of co-operation, or profit sharing, may be seen an attempt to revive the ancient mutuality between labor and capital, or at least the opportunity to do so. Whether this is so or not, it ought to be clear to capital that its duty to labor is by no means performed by the payment of stipulated wages. That is a coldly business affair, or, more liberally, a purely economic affair. Labor represents a noble cause. The cause of capital can be no nobler. It is for capital to consider this cause apart from its own. Capital, intelligent, public spirited, honorable capital, can never afford to ignore those higher relations to labor which involve the natural brotherhood of man, and the place of the individual in the social economy. Sheer wages are as nothing in comparison with that pay which comes in the shape of sympathy and encouragement, whatever their form. Labor means manhood, not mere machinery. The largest consideration capital can give it in the shape of moral support is none too good for it, and this, capital should freely extend, for it will prove quickly reflexive, in that it will refine and exalt labor, and go far toward dispelling those illusions of estrangement and antagonism which are the groundwork of the unions, and the sources of so much tumult, violence and decreased production.

Whether the principle of profit sharing will ever realize

HON. WILLIAM J. BRYAN.

Born in Salem, Ill., March 19, 1860; graduated at Illinois College, 1881; attended Union Law College, Chicago, two years; admitted to bar, and began practice in Jacksonville; moved to Lincoln, Neb., October 1, 1887, and continued profession; elected to Fifty-second Congress, as a Democrat, by a majority of 6713, in a district which two years before gave over 3400 Republican majority; an able constitutional lawyer; rose to immediate prominence in the House by eloquent advocacy of free silver coinage and the principles of tariff reduction and reform; favors election of U. S. Senators by the people, and revenue by means of an income tax; sympathizes with the masses who have been neglected in legislation; popular with his party and in his community.

all that is claimed for it by its advocates remains, in great part, to be proved. But its successes, where faithfully tried, warrant economists in asserting that it is the most promising of all known agencies at direct command for the solution of labor issues. One of the earliest and most notable examples of its success was given some fifty years ago by a French employer named Leclair. After suffering from discontent, suspicion and antagonism among his employees, he called around him some forty-four of the most faithful of them, and distributed to them fifty dollars each, as a share of profits. As soon as the men saw they had an added interest in the prosperity of their employer, they became faithful to every requirement and performed each duty more carefully and faithfully. The successors to M. Leclair continue the principle of profit sharing to this day. At present more than two hundred firms in Europe are successfully operating on the profit sharing plan. Quite a large number of American firms have introduced the principle, in one form and another, and with entire satisfaction, where the requisite amount of study and good faith entered into the substructure. Says a learned writer :—" Profit sharing is in full accord with both social and economic laws. It embodies a spirit that will furnish the key to labor troubles. Its denunciation by niggardly and short-sighted employers, on the one hand, or by selfish professional agitators on the other, cannot shake it, for it is founded on justice and humanity. Unselfishness should be the motive of the employer, but even from the lower standpoint to share profits is to increase them."

As this principle of profit sharing involves all the usual business relations between capital and labor, as well as those which are social and moral; and as it imposes on the employer the additional duties just mentioned; so it may be

said to demand of the employee reciprocal duties and obligations, in exact proportion to the enlarged privileges it confers. These privileges and obligations have been made a study by many economists, but none of them have set them forth so ably and tersely as Mr. Henry Wood in his "Political Economy of Natural Law." He says:— The prevailing spirit of the times tends to make the employee regard his employer with some degree of jealousy if not antagonism. Such a feeling is both morally and economically unprofitable. The employer is the natural supplement of the employee in production, and besides, no one else is in position to do so much for him. Deprived of the co-operation of his employer's talent, capital and executive ability, the employee is weak and incomplete. No man can afford to pick a quarrel with his productive partner, nor to antagonize the very things which are in the line of his laudable ambition. Without employers there could be no employees. The theory that production is solely the result of physical labor, as urged by some socialistic agitators, is unmitigated fallacy. If material force be all that is required, then steam, electricity, horses, mules, and even water-power should receive the main credit, leaving the human element quite unimportant. Matter can never bear comparison with mind, nor a mountain with a man. A high order of executive talent is more rare than a corresponding quality of muscle, and therefore it always brings a higher price. Its superior value is not due to fashion or fancy but to demand. The worth of muscle also depends upon the quality of mind mixed with it. To lay brick requires a larger percentage of mind than to dig ditches, and therefore readily brings a higher price. By the socialistic theory that the value of products should be abstractly estimated by the number of "labor hours" put into them, the expert is no better than

the ignoramus, and the latter might as well remain what he is. Under free conditions natural law never makes a mistake in weighing values.

"Education, moral, economic and technical, is the great need of the wage worker. These furnish the only solid basis for wages and their increase. Obstruction and friction invariably tend to their diminution. Real education is not the education of a certain amount of "book learning," but the art of fitting well for present and prospective duties. It is entering upon a road which always leads higher.

"Evolution is a universal law; but if one waits for it to push him from behind, he advances slowly and with friction. Attracted from before, he makes rapid progress. Excellence, as an ideal, furnishes an ever-present stimulus. If one does his best, it does not so much matter where in the great field of human effort he may be to day, for he will soon leave the locality behind him. Some one may suggest that opportunities are important, but they are largely made, not found. 'Luck' comes to those who win it. Chance appears upon the surface, but a deeper view shows that all success comes by law. A trade, profession or character is like an edifice; every brick must be put in its place, and it will not get there by luck.

"Work is not a curse or a thing to be avoided. Rightly regarded, it is education and development. To count it as drudgery is to gratuitously make and extract a slavish influence from it. Looked upon as an education and stepping stone, it is refined and ennobled, and this even if it be low conventionally in grade. To idealize one's present vocation is to prepare for a higher and more profitable one. Work is not to be dodged, but transformed into development. The man must lift his effort, and not allow it to become merely mechanical. One's attitude toward it deter-

mines what it is—to him. It also indicates whether or not he will advance to the rank of employer.

"The employee naturally and rightly wants increased wages; and, through Natural Law, the only road to them is to earn more and better. If he gets them through the seeming short cut of coercion or organized pressure, they will soon slip back.

"It is often supposed that employers might pay whatever wages they please, regardless of the market; but competitive relations in innumerable directions do not permit it, and general competitive laws are as indispensable to wage workers as to society at large. If labor unions, instead of limiting apprenticeship and encouraging idleness—under the delusive theory that the total amount of work to be done is limited and fixed—would educate their members, there would soon be enough for all to do.

"General economic confidence can only exist upon an adequate foundation. It especially requires a sound currency, an unwavering tariff, whether high or low, and, most of all, harmonious labor conditions. With this combination, employment for every one who desired it would be sure and remunerative. Things to be done would multiply faster than hands to do them.

"With but rare exceptions, the most eminent and successful business men of America started in active life as wage workers, and their secret is that in every position they did their best. This was their self education, and education is capital. Even when underpaid that kind of capital is always augmenting. However much specious theories may prevail, as to short hours, lessened production, limited apprenticeship, and much leisure, merit will always remain the sole basis of value for service."

HON. MATTHEW C. BUTLER.

Born near Greenville, S. C., March 8, 1836; educated at South Carolina College; admitted to Edgefield bar, 1857; elected to South Carolina Legislature, 1860; served as Major-General in Confederate army and lost right leg in battle; elected to South Carolina Legislature, 1866; candidate for Lieutenant-Governor, 1870; elected United States Senator, 1876; re-elected, 1882 and 1889; chairman of Committee on Five Civilized Tribes of Indians and member of Committees on Foreign Relations, Naval Affairs, Congressional Library and University of United States.

THE DOCTRINE OF FREE-TRADE.

FREE-TRADE exists only in theory. There is no actual free-trade in all the world.

Those who ground their arguments on the abstract doctrine of free-trade are free-traders.

Those who admit the necessity or propriety of a tariff for revenue only are free-traders. All the political economists of the free-trade school—Adam Smith, Mill, Ricardo, Say, List, Laveleye, Wells, Wayland—say that a government has a right to levy a tax for its support, and that the tariff is the least onerous and easiest collected tax.

A tariff for revenue with incidental protection begins to draw the line between the free-trader and the protectionist.

A "Tariff Reformer" is either an outright free-trader, or a believer in a revenue tariff with incidental protection. He may be none the less a protectionist.

Politics confuse these terms. American politics are especially loose respecting them. We change both theories and terms with the rapidity of a new and enterprising country.

In England "free-trade" and "free-trader" carry no reproach. The meaning of the terms is understood, as well as the doctrine.

In political economy there is no doubt about terms. The free-trader and protectionist are what they profess to be.

The early economic writers were mostly free-traders. Protection, which all nations practiced, did not seem to admit of theories or encourage a literature.

It is well to understand that the astounding revelations in connection with the development of the United States have

shaken all the old theories respecting free-trade and protection, and made a new political economy possible, if not necessary.

A primary law of political economy is that an increase of the productiveness of the country implies an increase of its capital. No law can create capital.

A second law is that productiveness depends on the number of laborers. Legislation cannot create men.

A third law is that productiveness depends on the stimulus to labor. Protection changes only the mode of labor. If it attracts manufacturers, it repels agriculturalists, and, *vice versa.* What it pays as a stimulus to one industry it subtracts from another. Hence there is no gain to labor as a whole.

Protection increases the price of an article. As price increases, demand diminishes. The less an article is wanted, the less it will be produced. The demand for labor diminishes. The price of labor diminishes. The stimulus to labor is decreased.

The watchword of free-traders, or freedom of exchange, is *Laissez faire; laissez passer:* "leave it alone." This is nature. Allow every one to buy and sell where he can do so most advantageously, whether in or out of his own country.

Revenue from customs on foreign goods may be permitted by the doctrine of *laissez faire*, but it is a tax, and a bad one.

To establish duties under the pretext of protecting national industries is an iniquitous measure fatal to the general interests.

By forcing a consumer to buy at a higher price than he would have otherwise, or elsewhere, to pay, is to perpetrate the injustice of taxing one class for the benefit of another,

Political economy draws no distinction between classes. So, if it be said that protection by means of tariff duties has for its purpose the favor of labor, it favors a class, none the less.

True industrial economy aims not to increase but diminish labor. If, with what I can earn in one day, I can buy a yard of cloth from a foreigner, why force me to spend two days' labor for the same?

An injury is done to humanity by a system which forces men into manufactories. The custom house snatches men, women and children from open air tasks, and chains them in gloomy workshops for twelve to fourteen hours out of twenty-four.

Free-trade applies to whole peoples the principle of the division of labor, assures them all that such principle can bestow, and thereby enhances their welfare.

When each is employed at what he can do best, the individual shares are greatest.

When each is compelled by legislation to do what he must, and what he may not have aptitude for, the aggregate of labor will not be so great, and the individual will be worse off.

So when each country or nation fails to devote its energies to what nature most favors, it will not bring to market the maximum obtained by the minimum of toil, but the results of a diminished productivity.

No man can be so self-sufficient as to confine himself to the manufacture of his food, clothing, furniture, books, etc. The nation is no better off than the man.

Protection obliges me to grow wheat, without reference to soil. But in nature my soil may be sandy, and I could better afford to raise something else in exchange for wheat, which grows better on my neighbor's clay soil.

Commerce is always an exchange of produce against produce. So much exported, so much imported. Therefore the foreigner cannot inundate us with goods. The different countries cannot sell more than they buy.

Industrial progress begets competition. Don't limit it at the confines of a state or nation. The widest competition is the most universal profit. Monopoly means sloth; protection, routine. The manufacturer who is forced to keep hold of the home market will conquer the world.

A railroad uniting two countries facilitates exchanges; customs dues impede them.

Free-trade has for its object the diminution of labor. Machinery has the same object. Protection, therefore, should demand the abolition of machinery, in order to be consistent.

Capital turns spontaneously to the most lucrative employment. Protection turns it to the less lucrative, and seeks to make up the difference by a tax on consumers.

The argument that a country should be independent of foreigners in time of war is of no avail in this era of easy and ready transportation. Neutral ships may transport the goods of belligerents. The blockade of a nation is impossible.

The doctrine of free-trade, like that of protection, is oftentimes best sustained by attacking and exploding the theories of the adversary.

Modern politics, especially the politics of a free country like that of the United States, are prolific of arguments and phrases which greatly affect the stereotyped theories of free-trade and protection.

Hence, having passed from the ascertained laws of free-trade, as found in the books, and as built on the experience of foreign countries, on monarchical conditions, and on a

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Born in Port Ontario, Oswego co., N. Y., January 17, 1847; graduated at University of Michigan, 1867; studied law and admitted to bar; rose rapidly to distinction in his profession and acquired a large practice; Chairman of Michigan State Democratic Committee in 1876, and 1880 Chairman of Michigan Delegation in National Convention; represented Michigan in Democratic National Committee since 1884; appointed by President Cleveland to be Postmaster-General, January 17, 1888; an able official and popular party leader.

geography, climatology and sociology different from our own, there is opportunity for new laws founded on different natural and commercial conditions. This also gives free play to the doctrines respecting protection.

Bearing this in mind, we are prepared for opinions and assertions which have weight in free discussion, but which are somewhat removed from the seriousness and weight of fortified laws.

These are none the less worthy of consideration, for even if there is no economic law back of them, they may foreshadow truths which experience will ripen into economic axiom. As other nations, less expansive than ours, less liberally endowed by nature, and altogether less advanced in industrial and commercial knowledge and opportunity, have formulated economic laws, which are quoted with favor and accepted as final, so this nation may well assume to ascertain what is best for itself, and to give its conclusions the form of economic axiom.

In this point of view the American political economist becomes an impressive and invaluable economist, and the passionate wisdom of the partisan something which is crude quartz to the view, yet with crystals of gold inside.

As instances, the protectionist is challenged for reply by the declaration that the system of protection is sustained by the co-operation of its beneficiaries, and that they are held together by the "cohesive power of public plunder."

Similarly, by the declaration that the tariff is a tax upon the consumer, and that, especially, when imposed on raw materials. Ten cents a pound upon wool means that the consumer will have to pay that much more for the cloth made of that pound.

So, when a tariff is declared to be vicious in principle

that seeks to perpetuate high rates. Hamilton is quoted, in 1791:

"The continuance of bounties on manufactures long established must always be of questionable policy; because a presumption would arise in every such case that there were natural and inherent impediments to success."

Clay is quoted, in 1833:

"The theory of protection supposes, too, that after a certain time the protected arts will have acquired such strength and perfection as will enable them, subsequently, unaided to stand against foreign competition."

The theory that a tariff protects labor by furnishing it employment is the old theory of "the maximum of toil and the minimum of profit," whereas the true economic theory is "the minimum of toil and the maximum of profit."

A tariff favors a class and tends to monopolies and the formation of trusts, with power to regulate prices and burden consumers.

A protective tariff and protective policy is not such a public policy as needs to be supported by the people at large. The principle and fact are denied that protection of an article by levying a duty on it tends to cheapen the price of the article, after its manufacture has been established.

To defend protection is to justify the taking of one man's money and putting it in another's pocket.

The tariff that looks to the protection of labor really injures labor when it leads to the production of articles in this country cheaper than abroad.

Gladstone defends free-trade on moral grounds—the commercial doing as you would wish to be done by.

Patrick Henry said:

"Commerce should be as free as the winds of heaven; a restricted commerce is like a man in chains, crippled in all

his movements and bowed to the earth; but let him twist the fetters from his legs and he stands erect."

Protection has invoked many wars and rebellions. The head-spring of the American Revolution was the Navigation Act, an English system of protection which sacrificed to English monopoly the natural rights of her colonies.

In keeping with the Navigation Act were other English laws suppressing important manufactures as well as internal trade in the colonies. In the land of the beaver no man could be a hatter unless he had served seven years as an apprentice at the trade. No American hat could be sent out of one province into another. Steel furnaces, plating forges and slitting mills were prohibited as nuisances. Lord Chatham said that in a certain contingency he would prohibit the manufacture in the American Colonies of even so much as a horseshoe or a hobnail. Lord Sheffield declared that the only use England had for the American Colonies was "the monopoly of their consumption and the carriage of their produce." These violations of natural law worked their own overthrow, and the mother country lost the brightest jewel in her crown. This event led England to re-examine her commercial system and to adopt the policy of free-trade.

Adam Smith completed his great work, "Nature and Causes of the Wealth of Nations," the very year America declared her independence, 1776.

In 1817, when Parliament repealed the duty on salt, the agents of the salt monopolies plead for a prohibitory duty on it. "Thus fell," says Thomas H. Benton, "an odious, impious and criminal tax."

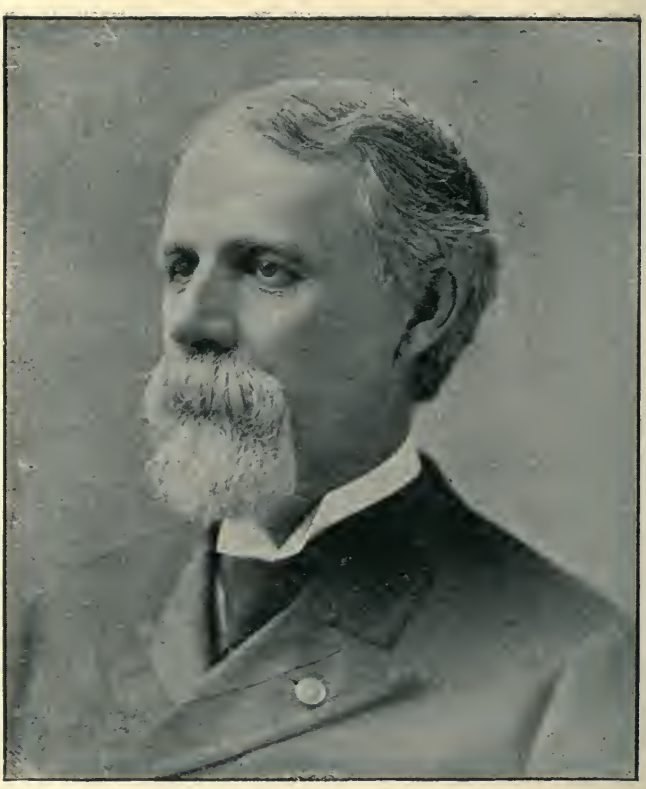
"The leaven of free-trade principles continued to work in England under the wise and skilful supervision of Rich-

ard Cobden, and reached its culminating triumph in the repeal of the Corn Laws in 1846."—*Richard Hawley.*

In 1842 England exported goods to the amount of $570,000,000, and in 1865 to the amount of $1,815,000,000. In the same time her imports rose from $326,000,000 to $909,000,000. In 1842 the number of articles subject to duty was 1,150; in 1870 only 43 articles were subject to duty, and the duty was not protective. Yet her revenue from customs was about the same in 1870 as in 1842. She now levies duty only on about a dozen articles, such as tea, coffee, tobacco, spirits, wines, etc.

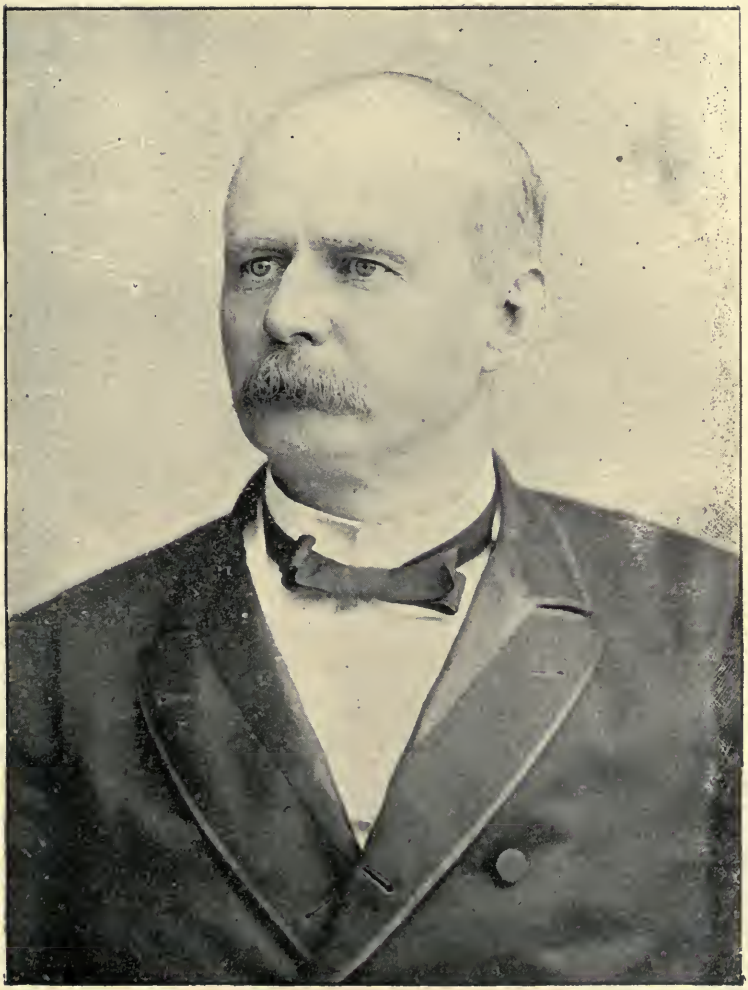
Hon. David A. Wells makes an argument for free-trade, or free exchange, thus:—"Population in the United States increased from 1860 to 1870, 22.2 per cent. The products of our manufactures increased in the same period 52 per cent. This tendency of manufacturing products to increase faster than population gluts our home markets and shows the necessity for larger and freer commerce."

"There is no nation," says he, "or country, or community, nor probably any one man, that is not, by reason of differences in soil, climate, physical or mental capacities, at advantage or disadvantage as respects some other nation, country, community or men in producing or doing something useful. It is only a brute, furthermore, as economists have long recognized, that can find a full satisfaction for its desires in its immediate surroundings; while poor indeed must be the man of civilization that does not lay every quarter of the globe under contribution every morning for his breakfast. Hence—springing out of this diversity in the powers of production, and of wants in respect to locations and individuals—the origin of trade. Hence its necessity and advantage; and the man who has not sufficient education to read the letters of any printed book perceives by



HON. RUSSELL A. ALGER.

Born in Medina co., Ohio, February 27, 1836; educated at Richfield Academy; studied law and admitted to bar, 1859; enlisted, August, 1861, as Captain in 2d Michigan Cavalry; wounded and a prisoner, 1862; Colonel of the 6th Michigan Cavalry, 1863; brevetted Brigadier, 1864; after war, moved to Detroit; engaged in lumber business; became head of two extensive lumber companies; owner of large pine lands; delegate to Chicago Convention in 1884; elected Governor of Michigan, as a Republican, 1884; conspicuous candidate for President in National Republican Convention of 1888; received 142 votes on 5th ballot; name prominently coupled with the nomination in 1892; a ready, perspicuous orator, and popular party leader in the Northwest.



Hon. Adlai E. Stevenson.

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instinct, more clearly, as a general rule, than the man of civilization, that if he can trade freely, he can better his condition and increase the sum of his happiness; for the first thing the savage, when brought in contact with civilized man, wants to do, is to exchange; and the first effort of every new settlement in any new country, after providing temporary food and shelter, is to open a road or other means of communication to some other settlement, in order that they may trade or exchange the commodities which they can produce to advantage, for the products which some others can produce to greater advantage. And, obeying this same natural instinct, the heart of every man, that has not been filled with prejudice of race or country, or perverted by talk about the necessity of tariffs and custom-houses, experiences a pleasurable emotion when it learns that a new road has been opened, a new railroad constructed, or that the time of crossing the seas has been greatly shortened; and if to-day it could be announced that the problem of aerial navigation had been solved, and that hereafter everybody could go everywhere, with all their goods and chattels, for one-tenth of the cost and in one-tenth of the time that is now required, one universal shout of jubilation would arise spontaneously from the whole civilized world. And why? Simply because everybody would feel that there would be forthwith a multitude of new wants, an equal multitude of new satisfactions, an increase of business in putting wants and satisfactions into the relations of equations in which one side would balance the other, and an increase of comfort and happiness everywhere."

"All trade," he says, "is at the bottom a matter of barter; product being given for product and service for service; that in order to sell we must buy, and in order to buy we must sell; and that he who won't buy can't sell, and he who won't

sell can't buy. . . . The United States, for now a long series of years, has, in its fiscal policy, denied or ignored the truth of the above economic, axiomatic principles. It has not, indeed, in so many distinct words said to the American producers and laborers, You shall not sell your products and your labor to the people of other countries; but it has emphatically said to the producers and laborers of other countries, We do not think it desirable that you should sell your products or your labor in this country; and, as far as we can interpose legal obstructions, we don't intend that you shall! But in shutting others out, we have at the same time, and necessarily, shut ourselves in. And herein is *trouble No.* 1. The house is too small, measured by the power of producing, for those that live in it. And *remedy No.* 1 is to be found in withdrawing the bolts, taking off the locks, opening the doors, and getting out and clear of all restrictions on producing and the disposal of products."

Mr. Wells illustrates his theory by the failure of the United States to compete with England for the trade of Chili, Argentine and other countries. For though we could place our cotton manufactures in those countries as cheaply as England could, we refused to take their products freely in turn, or except by first imposing a duty on them. The position assumed by Mr. Wells that "all trade is at the bottom a matter of barter," ignores, in part, the function of money in the making of exchanges. He was answered thus by a "Protection" writer:

"The function of money, or its representatives, is that of enabling indirect exchanges to be made. The shoemaker buys his cabbages from one man and sells his shoes to another. Trade, in place of being a right line between two points, becomes, so to speak, triangular and polygonal.

"This applies pre-eminently to nations, which are aggre-

gations of individuals, each of whom acts according to his individual interest, in place of being, as Mr. Wells assumes, units actuated by a common purpose, and asking, before they buy a yard of calico, whether a half-pound of copper regulus will be taken in barter. If a Chilian merchant can buy a salable bale of Fall River cloths cheaper than a similar bale from Manchester, he will not reject it because the Fall River mill cannot buy Chilian copper. He knows that the copper will be sold to Swansea, and that the resulting bill of exchange on London will settle his debt at Fall River as readily as at Manchester. He knows, moreover, that if he patriotically refuses to buy the Fall River goods, his competitor across the street will do so and will undersell him. All this is the A B C of trade, and no pathetic groaning over the 55,000,000 yards of cotton supplied by England, in comparison with the 5,000,000 yards supplied by the United States in 1874, will get rid of it."

Again, Mr. Wells' attention was called to the fact that the removal of restrictions on trade, which restrictions are occasioned by the imposition of duties, did not in fact tend to make countries buy of the United States, even though the United States was their best customer. Thus, in 1876, as an instance, the United States bought of Brazil coffee and India rubber, on which no duties were levied, to the amount of $44,000,000, and sent in turn only $7,500,000 of her own products. This state of affairs Mr. Wells ascribes to the absence of shipping facilities on the part of the United States, which absence he accounts for by reason of the same mistaken fiscal and commercial policy he had been speaking against.

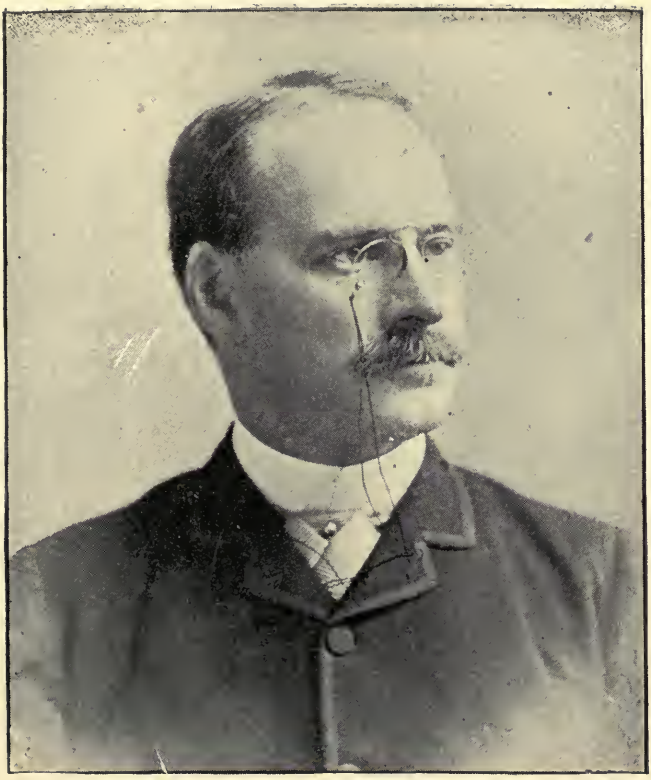
Free-traders deny that protection tends to keep up the price of labor. Germany and France demand high duties in order to protect their ill-paid laborers from competition

with the better paid labor of England. Therefore, low wages do not enable a country to compete with another country. As to this country, such are the advantages of combined capital and labor that the workmen are capable of a larger output than in other countries, and this enables the employer to afford them better wages. The general high rate of wages with us is due to the productiveness of labor, or, in other words, to the energy and efficiency of our laborers, the extended use of machinery and our great natural resources.

Prof. Taussig lays down the doctrine that it is wrong to limit duties to articles which can be produced in this country. Many of such articles, such as wool, iron and silks, are in the nature of raw material and enter into the manufacture of other articles. Tea, coffee and sugar are entered free of duty. A duty on these would have no such effect as a duty on iron, namely, that of turning the industry of the country into unproductive channels. If revenue must be raised by duties on imports, those duties should fall on articles not produced in this country, just as the internal taxes fall on tobacco and spirits.

During the thirty years that the English corn laws were in existence the prosperity of the farmer continually declined. Farm labor suffered in proportion. Artisans and laborers in manufactories were reduced to penury. The peace of the country, and even the existence of the government, were threatened.

Sir Robert Peel, who had changed from Protection to Free-trade and had championed the repeal of the Corn Laws, said on retiring from power: "I shall surrender power severely censured by those who, from no interested motives, adhere to Protection, considering it essential to the welfare and interests of the country. I shall leave a



HON. WILLIAM C. WHITNEY.

Born in Conway, Mass., July 15, 1841; graduated at Yale, 1863; graduated at Harvard Law School, 1865; continued study of law in New York city and admitted to bar there; prominent member of Young Men's Democratic Club; conspicuous for activity against "Tweed Ring;" Inspector City Schools, 1872; candidate of Reformed Democracy for District Attorney and defeated; appointed Corporation Counsel for New York city, 1876–80; reputed to have saved the city large sums by resisting fraudulent claims; resigned office, 1882; appointed Secretary of Navy by President Cleveland, March 5, 1885; received degree of LL. D. from Yale, 1888; advocate of a new navy, and made this a conspicuous feature of his administration.

name execrated by every monopolist who, from less honorable motives, clamors for Protection, because it conduces to his own individual benefit. But, it may be, that I shall leave a name sometimes remembered with expressions of good will in the abodes of those whose lot is to labor, and to earn their bread by the sweat of their brows, when they shall recruit their strength with abundant and untaxed food, the sweeter because it is no longer leavened with a sense of injustice."

The entire doctrine of Free-trade was confirmed by resolution in the British House of Commons in 1852, and the Protectionists gave up the battle.

In the United States, from 1824 to 1833, the demands of Protectionists threatened the peace of the nation, just as their demands did in England.

At the time of the adoption of the compromise tariff of 1833, President Jackson said in his message of that year: "Those who take an enlarged view of the condition of our country must be satisfied that the policy of Protection must be ultimately limited to those articles of domestic manufacture which are indispensable to our safety in time of war. Within this scope, on a reasonable scale, it is recommended by every consideration of patriotism and duty, which will always, doubtless, secure for it a liberal support; but beyond this object we have already seen the operation of the system productive of discontent. In some sections of the Union its influence is deprecated as tending to concentrate wealth in few hands and as creating those germs of dependence and vice which in other countries have characterized the existence of monopolies and proved so destructive of liberty and the public good. A large proportion of the public in one section of the Union declares it not only inexpedient on these grounds, but as disturbing the equal

relations of capital by legislation and therefore unconstitutional and unjust."

Said Senator Rowan, of Kentucky, in 1828: "It is in vain that Protection is called the 'American System.' Names do not alter things. There is but one American system, and that is delineated in the State and Federal Constitutions. It is the system of equal rights secured by the Constitution—a system which instead of subjecting the labor of some to taxation with a view to enrich others, secures to all the proceeds of their labor, exempt from taxation except for the support of the protecting powers of the government."

As chairman of the "Committee on Manufactures" in 1832, John Quincy Adams said:—"The doctrine that duties of import seem to cheapen the price of the article on which they are levied, seems to conflict with the first dictates of common sense. The duty constitutes a part of the price of the whole mass of the article in the market. It is substantially paid upon the article of domestic manufacture, as well as upon that of foreign production. Upon one it is a bounty, upon the other a burden, and the repeal of the tax must operate as an equivalent reduction of the price of the article whether foreign or domestic . . . . . We say so long as the importation continues, the duty must be paid by the purchaser of the article."

In 1846 George M. Dallas said:—"This exercise of the taxing (tariff) power was originally intended to be temporary. The design was to foster feeble infant manufactures, especially such as were essential for the defence of the country in time of war. In this design the people have persevered until these saplings have taken root, become vigorous, expanded and powerful, and are prepared to enter with confidence the field of fair, free and universal competition."

Protection is responsible for the evils resulting from a violation of law known as smuggling. This practice, or crime, is as baneful and disastrous to the honest tradesmen as the competition of free-trade is healthful and beneficial.

Taking the two decades, 1840 to 1850, and 1850 to 1860, and regarding the first as a period which was most affected by the high tariff of 1842, and the last as most affected by the free-trade tariff of 1846, the contrast is in favor of the last decade. During the non-protective period cotton manufactures increased 130 per cent., woollen manufactures increased 62 per cent., and mostly between 1857 and 1860, when the cheaper grades of wool were admitted free. The year 1860 saw the manufacture of 913,000 tons of pig-iron at good prices, or 100,000 tons more than any previous year. In 1860 the aggregate of our exports showed an increase of 200 per cent. in ten years. The decade between 1850 and 1860 showed an increase of agricultural productions of 100 per cent. over the previous decade. In 1860 our total exports were $400,000,000, or $43,500,000 more than any previous year; and our imports were $362,000,000, a much larger amount than any previous year. We consumed far more sugar, tea and coffee, per capita, during the free-trade tariff decade than the previous one, and also more than between the years of 1860 and 1868, years of protection. Farms increased in value 103 per cent. between 1850 and 1860. Farm products increased from 75 to 100 per cent. The products of all our manufactures was $553,000,000 in 1850; in 1860, it was $1,009,000,000. From 1840 to 1850 the real and personal property in the United States increased 80 per cent.; between 1850 and 1860 it increased 126 per cent. At no time prior to 1850–1860 had the capital of the nation increased so fast, and nothing demonstrates so forcibly the success of free-trade principles in the United

States. In 1850 there were 872 banks; in 1860, 1562; while banking capital increased from $227,500,000 to $422,000,000. Vast sums were expended in railroad building during the decade—21,613 miles being built, as against 904 miles between 1842 and 1846.

Protective duties on wool depress the price of domestic wool and injure wool-growers. The reason is that when the supply of wool-growing countries is shut out of our market, it floods Europe at so low a figure as to enable European manufacturers to make the finer class of goods and sell them to us, duty paid, at a lower figure than we can afford to make them. The price of American wool has not risen with higher tariffs.

By the time Protection pays the penalty of over-production, it makes it too costly as an experiment. James Buchanan said in 1846:—"Our Domestic Manufactures have been saved by the election of James K. Polk from being overwhelmed by the immense capital which would have rushed into them for investment, and from an expansion of the currency which would have nullified any protection short of prohibition."

So Hon. James Lloyd, of Massachusetts, said in the Senate in 1820:—"I am interested in manufactures. I own stock in one of the cotton-mills running in my State. It regularly pays good dividends and is likely to do so continually if the tariff is let alone. But if you pass the bill, hundreds of such factories will be erected, till the market is glutted with their fabrics, when prices must fall and our concern very possibly be broken down."

Of the year 1860, the end of the free-trade era, General James A. Garfield said:—"I suppose it will be admitted on all hands that 1860 was a year of unusual business prosperity in the United States. It was at a time when the bounties of

HON. WILLIAM BOURKE COCHRAN.

Born in Ireland, February 28, 1854; educated there and in France; migrated to America at the age of seventeen; taught in private academy; Principal of Public School in New York; admitted to bar, 1876; elected, as a Democrat, to 50th Congress; a member of Commission to revise Judiciary Article of New York Constitution; elected, as a Democrat, to 52d Congress, for Tenth New York District, and by a majority of over 6000 votes; member of Committee of Ways and Means; a distinguished party leader and organizer.

Providence were scattered with a liberal hand over the face of the Republic; it was at a time when all classes of our community were well and profitably employed; it was a time of peace, the apprehension of our great war had not yet seized the minds of our people; great crops, north and south—great general prosperity—marked the era."

Hon. Caleb B. Smith, President Lincoln's Secretary of the Interior, says in his report:—"Without any special stimulus to growth—depressed indeed, during the years 1857 and 1858, in common with other public interests by the general embarrassments of those years, and with a powerful competition in the amazing growth of manufactures in Great Britain and nearly every other nation in Europe—the manufactories of the United States had nevertheless augmented, diversified and perfected in nearly every branch and uniformly throughout the Union. Domestic materials, whether animal, vegetable or mineral, found ready sales at remunerative prices and were increased in amount with the demand, while commerce and internal trade were invigorated by the distribution of both raw and manufactured products. Invention was stimulated and rewarded. Labor and capital found ample and profitable employment, and new and unexpected fields were opened to each. Agriculture furnished food and materials at moderate cost, and the skill of our artisans cheapened and multiplied all artificial instruments of comfort and happiness for the people. Even the more purely agricultural States of the South were rapidly creating manufactories for the improvement of their great staples and their abundant natural resources. The nation seemed speedily approaching a period of complete independence in respect to the products of skilled labor, and national security and happiness seemed about to be insured by the harmonious development of all the great interests of the people."

DOCTRINE OF PROTECTION.

THE doctrine of protection starts without a doubt as to nomenclature. As a principle, it admits of no exception in the first chapters of the history of every commercial nation.

The commercial nation never existed that did not, at first, protect itself. So astute, refined and far-reaching has commerce become, that no nation which refuses to protect itself can ever hope to test its fitness for commercial supremacy, or independence, much less obtain it.

The same is true of industrial and manufacturing independence, both of which imply commercial independence, the moment transit is acknowledged as a subject of protection.

Nature supplemented by art made American transit supreme, or nearly so, when ships were of wood. Art combined with nature made English ships supreme, when ships came to be of iron. But nature is still on our side as to iron. Add the art of England to American nature, and transit will have its old supremacy. Art is protection and protection art.

A protective tariff provides revenue for the government in a better way than any other kind of a tariff. England levies duties for revenue only. They fall on two classes of articles; first, luxuries; second, on articles that cannot be raised or produced profitably at home and cannot come into competition with home productions. It so happens that the latter class of articles embraces tea, coffee and many things which rank as necessities among the common people.

Protection omits duties, when not required for simple

revenue, from tea, sugar, coffee, and articles which rank as necessities, and which cannot be produced profitably at home or cannot come into competition with home productions, and in their stead levies discriminating duties upon articles that come in direct competition with home products.

The rate of such duties is adjusted, in theory, so that the foreign product cannot enter the home market at a price below what it can be produced for at home, with a fair profit included.

Some rates are prohibitory, as when there is desire or determination to found a new industry; but as a rule they are simply discriminative, and in favor of industries which exist, but which would cease to exist unless protected.

Since labor constitutes a large per cent. of manufactured products—in some products as much as ninety per cent. of the cost—the most direct effect of protection is to maintain the price of that labor as it enters into the home product, and preserve it from competition with the cheaper labor that enters into the same product abroad.

The effect of protection on labor is direct and indirect. When the price of labor in protected industries is maintained, that in the unprotected industries is also maintained.

The application of protection to industries in this country reverses the doctrine of political economists that the price of an article is increased to the consumer by just the amount of duty imposed upon it.

Protection may increase the price of an article temporarily, and by some per cent. of the duty levied, but the price declines as the home manufacture of the article enlarges and home competition sets in.

Protection encourages capital and invites it into enter-

prises from which it would shrink, owing to its natural conservatism.

The spirit of invention and the employment of labor-saving machinery and devices are encouraged by protection.

Labor yields most when aided by artificial appliances and cheered by liberal and certain remuneration.

The last three factors render production exceptional in this country. Together with the law of competition, they furnish an output of products better in quality and cheaper in price than those of nations that rely solely on cheap labor for cheap price. The cheapness of protection does not imply degradation of labor, but greater deftness of hand, quickened genius, advantage of natural opportunity.

The tariff is not a tax. While most articles, whose home manufacture has been encouraged by a duty upon them, sell at no higher price than when imported, many such sell for a less price than the duty imposed.

When the foreign producer lands his goods here, and finds them in competition with home-made goods, he pays the duty.

Says a Bradford, England, manufacturer: "The least possible reduction in the American tariff will be a grand thing for Bradford. We are selling our goods for the same prices we did before the higher tariff was enacted, and I know the Bradford manufacturer is paying the duty, not the American consumer."

Another English manufacturer says: "If the duties came out of the American consumer the English manufacturer would not care a button about the American tariff laws."

Friedrich List, founder of the German *Zollverein*, or Custom's Union, Adam Smith and John Stuart Mill, all subscribe to the doctrine that a country which is exclusively agricultural is necessarily backward. They instance Poland.

HON. WILLIAM MCKINLEY, JR.

Born at Niles, Ohio, February 26, 1844; enlisted in the 23d Ohio Vols., May, 1861; mustered out as Brevet-Major, September, 1865; studied law and served as Prosecuting Attorney for Stark co.; elected to 45th, 46th, 47th and 48th Congresses; unseated in 48th Congress by Democratic opponent; re-elected to 49th, 50th and 51st Congresses; defeated as candidate for 52d Congress, owing to gerrymander of his District; rose to renown as exponent of Protection; Chairman of Ways and Means Committee in 51st Congress, and the Tariff Act of 1890 became known as the McKinley Act; elected Governor of Ohio, November, 1891, by 21,511 majority, the leading issues being Protection and Silver Coinage.

"Since, then, although it is undoubtedly bad for privileges to give rise to artificial industries, many industries well suited to the nature of a country will never develop there unless at first protected. The best road to arrive at free-trade and obtain from it the maximum advantage lies through a temporary adoption of protection."

Protection in this country at first vindicated itself by the example of all civilized nations. Then, by universal acquiescence in the principle that duties on imports were more cheerfully paid than any species of tax for revenue. Now it vindicates itself by what it has achieved for the country in the domain of capital and labor. It claims to have won by honest effort and practical results the title, "American System."

"The safety and interest of the people require that they should promote such manufactures as tend to render them independent of others for essential, particularly for military, supplies."—*George Washington.*

"That it may be expedient to guard the infancy of this improvement ('useful manufactures') by legislation of the commercial tariff, cannot fail to suggest itself to your patriotic reflections." Again, "In adjusting the duties on imports to the object of revenue, the influence of the tariff on manufactures will necessarily present itself for consideration. However wise the theory may be which leaves to the sagacity and interest of individuals the application of their industry and resources, there are in this, as in all cases, exceptions to the rule."—*James Madison.*

As to the highest duties of the government, Thomas Jefferson, in his second annual message, said: It is "to cultivate peace and maintain commerce and navigation in all their lawful enterprises; to foster our fisheries as nurseries

of navigation for the nurture of man; and to protect the manufactures suited to our circumstances."

"The restrictive legislation of 1808–15 was, for the time being, equivalent to extreme protection. The consequent rise of a considerable class of manufactures, whose success depended largely on the continuance of protection, formed the basis of a strong movement for more decided limitation of foreign competition."—*Prof. Taussig.*

Adam Smith, the father of free-trade, admits that could any number of communities, producing what each other wants, be brought into commercial contact, there would have been no need of his evolving the doctrine of free-trade. In this country there are forty-four, and more, of such communities.

What was a theory with Hamilton, that protection tended to lower the price of protected articles, became a fact under the operation of our tariff legislation.

The genius of a nation is at its best when not subjected to conditions foreign to it. To let institutions have sway here which are born abroad, and which may be best for abroad, would be for us to subject ourselves to monarchy. It would be just the same if we lost our commercial or industrial Americanism and became subject to the codes which demean labor by caste and enslave it by hereditary custom.

The protection which monarchical countries, without exception, patronized and by which they exist was never in the interest of labor as now in this country.

The conditions which exist in America are wholly different from those which gave color to free-trade as a doctrine with European economists. Had they been situated as we are, and known what we know, they would have collated and deduced differently. In one hundred years

America has established a set of statistical facts which utterly destroy the deductions based on facts of an older regime and on conditions never dreamed of. Protection in the United States is really a new political economy, of far more worth to us than the economic visions of one hundred years ago, indulged by men who knew no distinction between labor and serfdom and who saw no hope for enterprise outside of capital linked with landed aristocracy and lordly title.

Protection has long since triumphed over the argument that it was unconstitutional. This argument is not urged to-day except by the very ignorant or very prejudiced. But the argument reappears in the charge that protection fosters monopoly. This was Calhoun's standing argument. He saw that it enured more to the benefit of free paid labor than of slave unpaid labor, and that it encouraged the manufacturing as against the planting classes. The industries which involved invention, skill, competition, live capital and paid labor were the ones which protection favored. Those which involved none of these received no benefit from protection and did not need it. His views of monopoly turned on this point. Since the downfall of slavery the heart has been taken out of the monopoly argument, for it has become plain to all that what improves the condition of the entire people does not savor of monopoly.

Protection protects against monopoly. Before the tariff of 1824 American cottons sold at 24 cents a yard. After that tariff, they sold at 7¾ cents a yard. New mills, improved machinery and increased competition, put a better material in the market at a third of the price.

The monopoly may be foreign. England sold us steel rails, for railroads, at $150 per ton. She continued to do this till 1870, when a duty of $28 a ton was levied. Under

this protection we began to build mills for their manufacture. The price of steel rails began to decline. They are now sold at a profit at from $33 to $40 a ton. English monopoly was costing us five prices for a ton of rails.

Protection gives us competing power abroad. Our cotton textiles are recognized as the best in the markets of the world. The same is true of our edge-tools and agricultural implements. European manufacturers imitate these American goods and use American labels in order to hold the markets of South America and the Orient. When this competing power is amplified by reciprocity and by direct steam communication, both of which are protective, no nation can rival us in South American and Chinese markets.

A tariff for revenue is a tax. A tariff on tea, coffee and sugar, raises the price to the consumer, because it offers no inducement, and cannot, by reason of soil and climate, for their home production. Sugar is partly an exception, as we can raise some sugar-cane. It may become wholly an exception if the experiment with beets prove a success. As to trading in manufactured articles, articles of art and handicraft, the application of the doctrine of natural right as claimed by free-traders, is suicidal to the younger or weaker nation. No nation recognizes it except in theory. Nations are not natural, one to the other, as to trade, except in the respect that they are selfish. They all claim the natural right to exist, to grow, to develop, to be independent. The natural right to be what nature intends is higher than any other. Nature never intended that one nation with numerous, large, long and swift streams, equal to billions of horse-power, should buy for all time the manufactures of nations with fewer, smaller, shorter and duller streams, equal to only millions of horse-power, even though the latter nations had,

by reason of age, so far turned their power to account as to be able to furnish products cheaper than the former.

Nature never intended that one nation with a riches of coal and ores far exceeding that of another, should perpetually buy the manufactures of that other, because it had delved in its mines for ages, and could offer products cheaper than the first.

Nature never intended that a new nation with infinite resources of climate, soil, mine, genius and industry should subordinate its traffic to nations of inferior resources, but with the temporary advantage of age.

Nature never intended that nations that had grown old, ripe and rich by means of a protection, which was absolute in comparison with any that prevails to-day, should claim naturalness for a trade established by agencies they deny to others.

Nature never intended that conditions of labor under which a laborer can be an earner, saver, head of a family, house owner, voter and public-spirited citizen, should be subjugated to conditions of labor which give caste to occupation, demean calling, yield bare subsistence, crush manhood, stifle ambition, beget slavish routine, reduce to tread-mill task.

Nature never intended that the genius and capital of one nation with opportunity should forever obey the commands of another, with less opportunity, but whose opportunity had the advantage of age.

But nature did intend that each nation should profit by its gifts. If young and undeveloped, it should employ the arts of development that are commensurate with its gifts. If weak, it should cultivate strength. If dependent, it should learn independence. The art of doing this is its own affair. The art should be rational, based on what it knows of itself—its people, geography, topography, climate, soil, ores, streams,

woods, facilities and resources in general. If, in obedience to books and theories, it is wrong in doing this, no other nation is so white as to call it black. The consensus of nations in this respect is nature. The precise form of protection and development is immaterial. English free-trade is the highest, severest, most arbitrary form of protection of which she is capable. It is no more condemnatory of the American idea than was her duty of $250 on every $500 worth of iron, not otherwise enumerated, she imported from her colonies. It is no more acceptable to the American idea than was her stamped paper and tea-tax which brought on the Revolution.

The highest duty of a nation is to cultivate nature, for nature means its people, institutions and resources. In this respect America means far more than professors dream of, far more than books teach, far more than little, narrow men with sectional or foreign predilections prate of, far more than England, all Europe, or all the world can in their selfishness impress us with. As a nation we have escaped the thraldom of monarchies, the shackles of caste, the hindrances of mediæval institutions, the limitations of soil, climate and natural resource incident to a continent which last emerged from polar ice. As to people we are composite. Where and when the mentality and physique of civilization blend for the production of a type, that type will be what nature calls for, the survival of size, shape and qualities, fitted for, or rather shaped by, an environment such as has not hitherto existed. As to institution, we have inverted the pyramid of monarchy whose tip is on the throne and base in the air. Here the base is below, on the people, and the tip is in the air, a sublimation of popular will and not a matter of family or blood. As to areas and climate we blend orient and occident, tropic and arctic. It is Italy and Russia, London

and Constantinople. As to soil, mineral, wood and stream, the resource is varied and infinite. The alluvium between the Alleghenies and Rockies has no counterpart in the world. Not Ural, Alp or Apennine are richer in ores than our home ranges. No forests of Europe or Asia compare with our pine fastnesses. No streams run larger, fresher, swifter, more constant and frequent. It is the place for new men, genius, institution, development. The law, doctrine or custom, ripened by wholly different conditions, and sanctioned by antiquity, is not for us. We are a nation—an escape from antique environment. To be true we must be original. This is especially so as to economics.

The facts upon which Smith and Mill built free-trade theories are useless in America. Home facts, embracing periods of test, are the only true bases for home deductions. It is our right and duty to build on them and to evolve for ourselves the political economy which they warrant, regardless of the conclusions reached and the laws adopted by other nations. These facts and this use of them have evolved the common law of protection in this country, have confirmed a principle, have established a system—the system of American Protection.

When free-trade makes the claim that home competition cannot cheapen certain classes of home manufactures, protection answers that in such cases cheapness equal to that of a foreign product is undesirable; that there ought to be sufficient patriotic pride among us to pay more for such articles when home-made than when foreign-made, their quality and utility being the same; that we will be more than repaid for the difference in price by the encouragement extended to a home industry and by the establishment of a home market; that every cent spent at home is a contribution to the comfort of surroundings, the happiness of

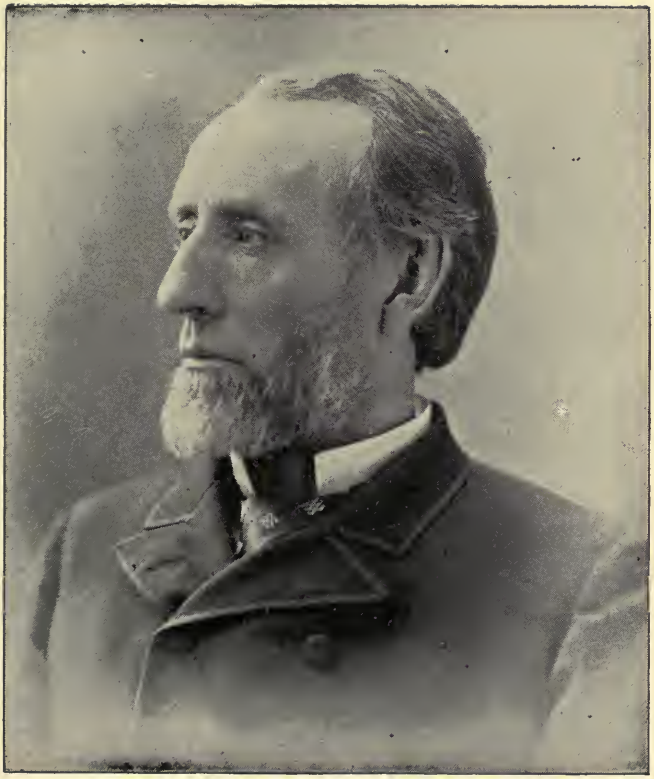
neighbors, the erection of homes, the welfare of labor, the founding of a home market for the wool, wheat, corn, butter, cheese, eggs and vegetables of the farmers, for which there otherwise could be no possible demand; or if so, the demand would be of so foreign a nature as to eat up profit by the cost of transportation, by commissions, and by perishability.

All free-traders make much of the argument that protection tends to over-production and consequently to periods of depression and panic. The protectionists answer, first, that this is a confession that protection does stimulate production. Secondly, they deny *in toto* that protection tends any more to over-production and to periods of depression and panic, than free-trade. England is as much subject to periodic visitations of glut and depression as any protected country. The glut and depression in the iron trade of 1884 extended to every iron-producing country, and England suffered most of all.

In this connection protection points confidently to its history in this country, and relies upon the unshakable argument it furnishes.

The absolutely free-trade era between 1783 and 1789 was characterized by a glut of foreign products, suspension of industries, bankruptcy of manufacturers and merchants, ruinous depreciation of prices, beggary of artisans and laborers, starvation of farmers. Says a writer of the period: "We are poor with a profusion of material wealth in our possession. That we are poor needs no other proof than our prisons, bankruptcies, judgments, executions, auctions, mortgages, etc., and the shameless quantity of business in our courts of law."

This condition passed away with the enactment of the tariff Act of 1789. It was a modest provision, but sufficient to enunciate the principle of protection for new industries,



HON. SHELBY M. CULLOM.

Born in Wayne co., Ky., November 22, 1829; next year parents moved to Tazewell co., Ill.; educated at academy and university; admitted to bar in Springfield and practiced there; elected to State Legislature, 1856, 1860, 1872, 1874; was Speaker in 1861 and 1873; elected a Representative to 39th, 40th and 41st Congresses; elected Governor of Illinois in 1876, and re-elected in 1880; resigned, February 5, 1883, to accept seat in United States Senate, as a Republican, and successor to Hon. David Davis; term expires March 3, 1895; an active worker and broad-minded statesman; father of the Inter-State Commerce law.

and to change the industrial and commercial situation. By 1808 the country had recovered from the evil effects of the free trade era. Then set in the restrictive measures preliminary to the war of 1812, as the Embargo Act of 1807 and the Non-Intercourse Act of 1809. Duties were doubled by the Act of 1812 with a view to secure revenue. These restrictive measures, followed by actual hostilities, proved to be an absolutely prohibitive tariff. Immediately every branch of domestic industry felt the stimulus. Establishments for the manufacture of cottons, woolens, iron, glass, pottery, etc., sprang up like magic. This instant and marvellous result was due to extreme protection, and it really formed the basis for that strong, persistent and intelligent movement which had for its view legislative limitation on foreign competition, and logical protection, as found in Henry Clay's American System.

This view found expression in the tariff act of 1816, which increased duties considerably, but most unfortunately for only a limited period. The 25 per cent. on cottons and woolens was to fall to 20 per cent. by 1819. What was barely protective became non-protective in three years. Limitation was to undo the affirmative work of the act. Though all that grew out of the ground remained high in price for a time, owing to shortages in Europe, manufactured goods declined. The long pent-up stream of English merchandise flooded the country after the close of the Napoleonic wars, and our manufacturers were forced to the wall. Panic set in, and with it depression, bankruptcy and all the evils of foreign inundation. The products of the soil found the level of devastation, and soon every interest was engulfed in the sad wave of commercial blight.

The lesson of this crisis was not lost to our statesmen and economists. That strong protective movement set in

which was to concern so intimately the next generation. England had grown restrictive, as evidenced by the passage of her corn laws. Cotton and all our farm products were ruinously cheap. The time was most favorable for the protection and growth of home manufactures and for the establishment of home markets. Home markets had not until this date been a leading argument for protection, but from this time on the argument grew in strength. The relief tariff of 1818 merely did away with the limitations of the Act of 1816, and extended the duties of the latter act till 1826.

After 1819, that is, in 1820, the protectionists made a vigorous effort to enact a really protective act. They failed by a single vote in the Senate. They succeeded in 1824, with a modifiedly protective act, which became more confirmedly protective in the act of 1828. This protective trend was most advantageous. Recovery from the effect of the panic of 1819 was perfect. Manufactures again sprang up. Labor got employment and reward. The farmer rejoiced at his plow. Prosperity and satisfaction reigned. The seven years after 1824 are counted as the most prosperous they had ever known.

Free-trade now came to mean the perpetuation of slavery, the nullification of law, secession. It threw itself on the very legislation it had encouraged, and with such ferocity as to compel the compromise tariff of 1833, in which the principle of protection was abandoned. Then the history of 1819 began to repeat itself. Depression set in. Values fell. Manufactures ceased. Merchants went into bankruptcy. Farmers became impoverished. Labor begged for bread. The horrors of 1819 were more than repeated in the final crash of 1837, when cows sold for $1.00 a head and hogs for 25 cents. The panic of 1837 cost the country

$1,000,000,000. To add to the terrible situation, the sliding scale of reduction of tariff rates brought duties so low by 1837 that the Government ran short of revenue, and the national credit fell so low that money could not be borrowed for necessary expenses except at enormous discount.

The reaction caused by this disastrous epoch swept the free-traders from power and the protectionists enacted the protective tariff of 1842, over the veto of President Tyler. Financial skies began to clear. The sun of prosperity broke forth. Spindles began to hum and labor to smile. The farmer held his plow with confidence. Customs' revenues leaped to seventy per cent. more than during the last year of the compromise Act of 1833. Prices rose, and every industry was inspired with new life.

But in 1844 free-trade, more wedded than ever to unpaid labor, and shivering at the importance of paid labor and protected industry, rallied under the banner of "Polk, Dallas and the Tariff of '42." How much it believed in the "Tariff of '42" was shown by the enactment of the Tariff of 1846, by the casting vote of Dallas in the Senate. This was a free-trade tariff, and its results were foreshadowed by its opponents. Happily there arose a series of circumstances which operated very much like the restrictive measures that followed the Act of 1808. They were all protective and sufficiently so to postpone the evil effects of the Act of 1846 for a time. They were the Mexican war, the discovery of gold in California, the Irish famine, and wars in Europe. But even by 1852 the decrease in the value of our exports of bread-stuffs and provisions had fallen off $47,000,000, and the supposed incentive of a low tariff and increased importations from abroad was not being realized.

Another reduction of duties took place in 1857. Financial revolution set in, appalling in its widespread severity

and distress. The crisis of 1857 not only impoverished the people, but the public revenues became so small that the Government was compelled to borrow money at from 8 to 12 per cent. discount in order to provide running expenses. Said President Buchanan in his annual message: "With unsurpassed plenty in all the elements of national wealth, our manufactures have suspended; our public works are retarded; our private enterprises of different kinds are abandoned and thousands of useful laborers are thrown out of employment and reduced to want."

Since the passage of the Morrill Tariff Act of 1861, the doctrine of protection has found constant application. The Act of 1883 effected the largest change in that of 1861, by reducing duties and enlarging the free list, but it was crude in many of its provisions. The Act of 1890, known as the McKinley Act, still further enlarged the free list, addressed the principle of protection more directly to American labor, and introduced the policy of reciprocity. Protectionists claim for this period, 1861 to the present, the establishment and enjoyment of an industrial system which has assumed a larger national growth, a more rapid accumulation and broader distribution of wealth than ever before known in the history of our country. During that period there has been but one panic, that of 1873, and that differed from those of 1819, 1837, and 1857, in not being confined to this country, but in having an origin in general disturbance of credit abroad, the effect of which was to throw back upon us suddenly an inordinate number of our bonds. This caused sudden drain and great hardship for a time. The condition was almost repeated in 1890, when the failure of the Baring Brothers, and general disturbance in European credit, shook our commercial centres and tested our ability to withstand panic. In 1873 our mills did not stop running as in other

HON. JOHN DALZELL.

Born in New York city, April 19, 1845; moved to Pittsburgh, Pa., 1847; graduated from Yale, 1865; admitted to bar, 1867; rose into professional prominence as attorney for Pennsylvania R. R. and leased branches; also as solicitor for corporations and firms in Allegheny co.; elected to 50th, 51st and 52d Congresses as a Republican, by large majorities; distinguished for industry and eloquence; ardent defender of Protection, and opposed to Free Silver Coinage; name discussed throughout the State in connection with the U. S. Senatorship.

panics. Banks did not break by wholesale. Internal commerce was not interrupted. Every recuperative agency had play. We sold more than we bought, and reduced our national debt. Protectionists aver that the panic of 1873 was a blessing in disguise.

The eminent protectionist, Henry C. Carey, thus concludes his historic argument:—

"We have had Protection in 1789, 1812, 1824, 1828, 1842, and from 1861 to date.

We have had Free-Trade, or very low tariff, in 1783, 1816, 1832, 1846, 1857.

Now note the unvarying results:

Under protection we have had:	*Under Free-Trade we have had:*
1. Great demand for labor.	1. Labor everywhere seeking employment.
2. Wages high and money cheap.	2. Wages low and money high.
3. Public and private revenues large.	3. Public and private revenues small and steadily decreasing.
4. Immigration great and steadily increasing.	4. Immigration declining.
5. Public and private *prosperity* great beyond all previous precedent.	5. Public and private *bankruptcy* nearly universal.
6. Growing national independence.	6. Growing national dependence.

The argument that protection injures the farmer has always been a favorite one with free-traders. It has steadily grown in favor, and has been given a decided turn in the Fifty-second Congress by the attempt to remove the duty from wool, binding twine and tin plate. The argument of the protectionist is that manufactured articles, and especially those which concern the farmer, are on an average 25 per cent. cheaper to-day than in 1860, when 80 per cent. of them were made abroad. That now 80 per cent. of them are made at home. That the farmer has been saved the cost of ocean transportation on this 80 per cent., and has had the benefit of the home market their manufacture has created for his

produce. That such market is certain, at his door, and already takes 80 per cent. of his wheat and 92 per cent. of his corn. That it keeps even pace with the growth of manufactures and will ere long take all his surplus, at a better rate than he can get for it abroad and in competition with the cheap wheat of India and Australia.

In addition to the above argument, protectionists show that our free list now embraces nearly half of our importations; that said list comprises all the articles which affect the comfort of the farmer or poor man, such as sugar, fruit, rice, breeding animals, tea, coffee, etc.; and that the dutiable list embraces high priced articles and articles of luxury, such as wines, liquors, cigars, silks, satins, glassware, diamonds, linens, cottons, etc., the duties on which are paid mostly by the wealthy.

The free-trader argues that "free raw material used in the manufactures" is especially worthy of a place on the free list. Among these he classes wool, flax, hemp, seeds, iron ore, pig iron, coal, marble, etc. The protectionist claims that the free-list, as enlarged under the Act of 1890, embraces a sufficient number of these articles; that those, like wool, which pay duty, come into competition with the products of our farmers and laborers in shops, mines and furnaces; that labor is a prime object of protection; that all the articles, technically classed as "raw material," are not such to the farmer, laborer, miner and furnace man, because they represent the labor, skill and even capital of the latter, as much as cloth represents the skill and capital of the manufacturer, or the coat those of the tailor.

Protection repudiates the doctrine that it is a device for the benefit of the privileged classes. It rests on the principle that it operates for the general development of the resources and the encouragement of the industries of the country. If

classes or capital are emboldened by it to undertake new ventures or to enter channels they would not otherwise do, that is a matter which does not affect the prime object of protection and cannot be controlled by legislation. It was not England's tariff system, but her free-trade system, which tended most to sustain her landed aristocracy. Out of the ten richest men in the United States, nine have accumulated fortunes in speculative and commercial pursuits, other than manufacturing, and one in manufactures that had to deal with protected articles.

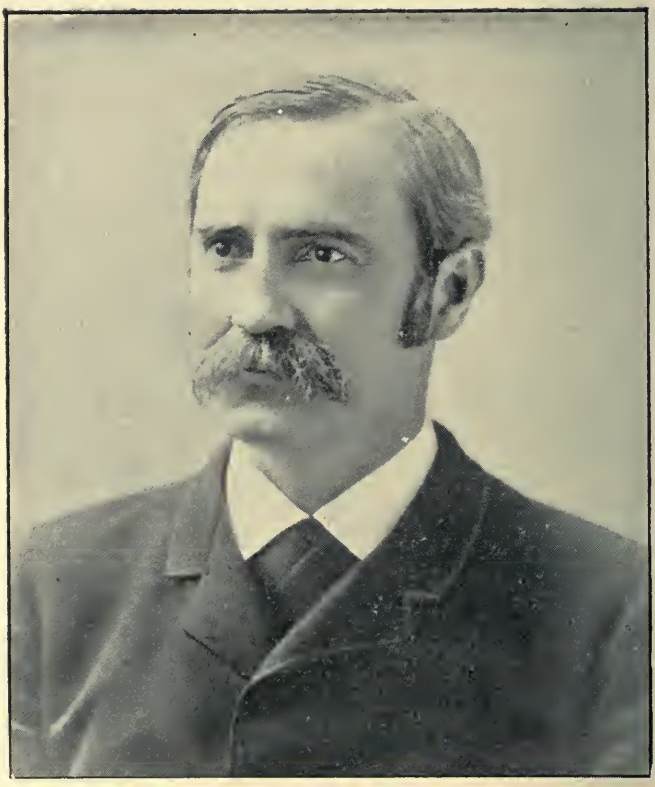
So as to trusts. Protectionists say the facts do not support the theory that protection leads to trusts. The worst trust-ridden countries are free-trade countries. Trusts in America are quite frequently the result of English genius and capital. The Standard oil, Chicago gas, Street railway, Electric lighting, Cotton seed oil, Sugar deal, Reading deal, Richmond terminal, and others, which rank as trusts or combinations, exist in spite of the doctrine of protection and in no way concern it. It is by no means certain that these combinations are harmful to the public at large. For every one that finds an existence by reason of dealing in protected articles, ten can be found that would exist, tariff or no tariff.

Protection has made the manufacturer content with a reasonable profit. An annual profit of ten per cent. is barely possible in this country in the best-established manufactories. Said Mr. Bright in the English Parliament, in 1842: "America, as an independent country, has been a more valuable customer to England than she could possibly have been as a colony. On all the goods exported to America during the last quarter of a century you have made a net profit of forty per cent." Prices of home manufactures can therefore be trusted to home competition, but

foreign prices cannot be trusted at all, unless they are forced to meet our home competition. This was particularly glaring when England was charging $150 for a ton of steel rails which afterwards, and in the face of our home competition, she was glad to get $40 for. The removal of duty from tea and coffee in 1872 caused a rise in their price. There was a reason for the rise in coffee, because Brazil immediately levied an export tax on it. But neither tea nor coffee have been so cheap since 1872 as before, when tea paid fifteen cents and coffee two cents a pound duty. They avoid home competition entirely.

The protectionist supports his doctrine by calling in as a witness the material growth of the country since 1861, and comparing it with that of countries wedded to free-trade. He confidently asks judgment on the practical workings of his policy, and claims for the results a fulfillment of the prophecies of Washington, Hamilton, Jefferson, Madison, Jackson, Benton, Clay, Webster and even Calhoun, who in 1816 made his famous appeal in favor of the protection and importance of manufactures to the "national strength and perfection of our institutions," and in "binding more closely our widespread republic."

During thirty years of protection, and notwithstanding the wastage of four years of war, our population has grown at the rate of one million annually—a greater rate than that of England, France, Germany and Austria combined. Our wealth has grown from $17,000,000,000 to nearly $50,000,000,000, or at the rate of $1,000,000,000 a year. There has gone into our savings $885,000,000 yearly, or almost half as much as the savings of the entire world. The manufactories, mines and forests of Great Britain produced $4,500,000,000 in 1886, an increase of 30 per cent. since 1850. The same products in the United States in 1880 were valued



HON. NELSON W. ALDRICH.

Born at Foster, R. I., November 6, 1841. Academically educated; engaged in mercantile pursuits; President of Providence Common Council, 1871–73; member of State Assembly, 1875–76; Speaker of House of Representatives in 1876; elected to Congress for 46th and 47th Congresses; elected, as Republican, to United States Senate, 1880; re-elected, 1886; rose to prominence as advocate of Protection; authority in party and Senate on matters pertaining to Tariff Legislation; conspicuous in preparation and adoption of Tariff act of 1890; Chairman of Committee on Rules and member of Committees on Finance and Transportation.

at $5,500,000,000, an increase of 160 per cent. since 1860. Since 1860 our farms have more than doubled in number and increased in value from $6,000,000,000 to $10,000,000,000, while their products, which were $1,800,000,000 in 1860, were $3,800,000,000 in 1880.

In 1880 the entire products of Great Britain—farms, factories, mines, forests and all—were $6,200,000,000, or $172 per capita. Of this product she exported $1,300,000,000. In the same year the total products of the United States were $10,000,000,000, or $200 per capita. Of this product $9,176,000,000 were consumed at home. Thus our home market consumed more than Great Britain consumed and exported, and more than double the combined exports of Great Britain, France, Germany, Russia, Holland and Austria. Besides this consumption of home products, we imported $700,000,000 as against $335,000,000 in 1860, and exported $750,000,000 as against $373,000,000 in 1860.

Protectionists do not claim that the system of protection is, or ever has been, perfect. It is not possible to make it so. But it has proved in practice that the arguments of its opponents are unsound. It has established itself as an essential part of our commercial and business habit and thought, and is open to the same equities, and laws of progress and adjustment, as any essential feature of industrial welfare. Its destruction, however, cannot be tolerated. Attack on it must be resented. It is not a system which can be trusted to its enemies for safe-keeping, or modification. Its friends are its natural custodians, and they alone are capable of perpetuating it in the forms best calculated to make it repeat its past triumphs for labor, capital and the general welfare, and to fit it for the legitimate requirements of a still more growthy and imposing future.

OUR TARIFF LEGISLATION.—AN HISTORIC REVIEW.

THE COLONIAL PERIOD.

THE English colonial system in America began, in 1616, with the Virginia charter.

It extended until the colonies numbered thirteen, embracing the Atlantic front from Georgia to Maine, and extending inland indefinitely.

Whatever the ambition or object of the colonists, they did not cut the apron string of allegiance to Great Britain, but agreed to obey the decrees of her kings, the edicts of her parliaments and the behests of her institutions.

This may seem strange, since every colony was a protest against home hardship and an escape from tyrannical interference with individual rights.

But questions of title to land, incipient government, protection against foes, and various others, proved paramount and decided the terms of colonization.

As to the mother country, those terms implied political allegiance and commercial contribution.

Legitimate trade dates from the reign of Elizabeth. Holland, England and France vied with each other in that paternalism which went out to the industries and to commerce in the shape of protective legislation.

From the reign of Elizabeth to 1846, there are four hundred Acts of Parliament—tonnage laws, poundage laws, protective tariff and commercial regulations—relating to manufactures and trade.

Some of these prohibited imports. Some prohibited ex-

ports, lest inferior nations should acquire the skill of the mother country. There is no historic record of a protective system so extreme in its conditions and so arbitrarily applied as that of Great Britain, if we exclude the despotic system of China.

Says McCullough in his *Commercial Dictionary*:—"It was a leading principle in the colonial policy, adopted as well by England as by other European nations, to discourage all attempts to manufacture such articles in the colonies as could be provided for them in the mother country."

Says Bancroft in his "History of the United States":—"England in its relation with other states sought a convenient tariff. In the colonies it prohibited industry."

In 1699 the British Parliament enacted that no wool, yarn, cloth, or woollen manufactures of the English Plantations in America should be shipped from any of said Plantations, or otherwise laden, in order to be transported thence to any place whatsoever, under a penalty of forfeiting both ship and cargo, and a fine of $2500 for each offence.

In 1732 Parliament prohibited the exportation of hats from province to province (colony to colony) in America, and limited the number of apprentices to be taken by hatters.

In 1750 the Parliament prohibited as a common nuisance the erection of any mill in America for slitting or rolling iron, or any plating forge to work with a tilt-hammer, or furnace for making steel. The penalty for such crime was $1000.

A little later an Act was passed prohibiting the making of nails in the province of Pennsylvania.

About the same time Lord Chatham announced it as his opinion of colonial dependence that the American colonies ought not to be permitted to make even a hob-nail or horse-

shoe for themselves, and these views were incorporated into the Act of 1765 which absolutely prohibited the migration of artisans to the American colonies.

In 1781 the Parliament enacted that no woollen machinery should be exported to the American colonies.

In 1782 Parliament enacted that no cotton machinery should be exported to the colonies, and that no artificers in cotton should migrate thither. In the same year the duty on bar-iron was fixed at $12 per ton. This rate lasted till 1795.

In 1785 Parliament prohibited the exportation of iron and steel making machinery to the colonies, and the migration of workmen, skilled in those branches of trade, thither.

In 1797 Parliament levied a duty, then deemed prohibitive, of $14 per ton on all foreign bar-iron imported into Great Britain. In 1798 this was increased to $15 per ton; in 1806 to $23 per ton; in 1810 to $24 per ton; in 1818 to $28 per ton; in 1825 to $33 per ton, if imported in British ships, and to $38, and over, per ton, if imported in foreign ships. During the same period, other manufactures of iron paid $90 per ton, and iron not otherwise enumerated $250 for every $500 worth imported. All of these rates were designed to be absolutely prohibitive, in accordance with the existing policy of the realm, which policy was that of France and Holland, both countries with colonial possessions, and both striving for commercial and manufacturing independence.

In 1799 the English Parliament prohibited the migration of colliers, lest other countries should acquire the art of mining coal.

Says Adam Smith, the father of English political economy, "Even up to 1776 England prohibited the exportation from one province (American) to another by water, and even the

HON. JAMES E. CAMPBELL.

Born July 7, 1843; elected to Congress from Hamilton, Ohio, district as a Democrat, in 1883–85–87; the last election was a test of his great popularity, as the district had been apportioned so as to contain 1500 opposing majority; chosen as the standard bearer of his party for Governor in 1888 against Foraker, and defeated him by a handsome majority; after a successful administration became candidate for Governor against McKinley in 1891; a vigorous campaign ensued, in which the candidates united in joint discussion of party issues; he suffered defeat, but lost none of his strength and popularity; prominently mentioned as a presidential candidate.

HON. ISAAC P. GRAY.

Born in Chester co., Pa., October 28, 1828; moved to Ohio, 1836; in mercantile pursuits at New Madison, Ohio, 1836–55; moved to Union City, Ind., 1855; in merchandise, 1855–58; studied law and admitted to bar; entered Union army as Colonel of 4th Indiana Cavalry; candidate for Congress on Republican ticket, and defeated, 1866; advocated election of Greeley, 1872; elected Lieutenant-Governor of Indiana, as a Democrat, in 1876; served as Governor after death of Governor Williams; nominated for Lieutenant-Governor, 1880, and defeated; elected Governor of Indiana, as Democrat, 1884, running nearly 1000 votes ahead of the National ticket; a prominent candidate for Vice-President before Chicago National Convention.

carriage by land, upon horseback or in cart, of hats, of wools and woolen goods, of the produce of America, a regulation which effectually prevents the establishment of any manufacture of such commodities for distant sale, and confines the industry of her colonists in this way to such coarse and household manufactures as a private family commonly makes for its own use, or for that of some of its neighbors in the same province."

The enactments cited are fair samples of those which went to compose the English Colonial policy. They help to an understanding of the leading object, which was to limit Colonial America to a farming community. America was to play the part of India and Australia, as a cereal feeder of a little island whose commercial and manufacturing genius was far in excess of its ability to supply the necessaries of life for its working population.

Of course the suspicion could not escape so inquiring a country, that America might prove as rich in raw materials, suited to English manufacture, as in farm products. Therefore the English policy, when fully developed, made America a provider of food and of raw materials for England. England, the main market, would receive nothing manufactured in the colonies. England, the supreme country, would permit nothing to be manufactured in the colonies. England, the dominant commercial country, would permit no trade with the colonies, except in British bottoms, and of an agricultural surplus, or a raw material, in exchange for her own manufactured products.

This was severe on the colonial agriculturist, who, not having a voice in the carrying trade, nor a say in what should come to him, could not thus early raise an agricultural surplus sufficient to pay for what he was compelled to receive as an import. He could not manufacture, except as

to the coarse things necessary for family use, and he could not have interchanged manufactures between the provinces by using the natural waterways nor by means of carts.

The colonist paid nothing on his imports. They were free. The prohibition was on his exports, and especially if in manufactured shape. The prohibition was on his domestic change of manufactured articles. All inducement to manufacture was taken away. A home market for agricultural products, or for raw materials, was not to be encouraged or tolerated. The plan was ingenious and most successful, so far as English manufacturers and capitalists were concerned. In 1771 colonial imports exceeded the exports by $13,000,000, and as trade was more nearly barter than now, it may be said that the colonies incurred a debt to England of $13,000,000 in 1771, which they had no visible means of paying.

It must not be supposed that the British policy was effecting all its objects. Nature and opportunity in America were entering their quiet protests. After the invention of the puddling furnace and rolling-mill by Henry Cort, we find the English statutes most rigid against the exportation of tools, utensils and artisans to foreign parts, as in 1785 and 1799. Yet the first rolling-mill in America was built and started for Col. Isaac Meason, at Plumsock, Fayette county, Pa., by two Welshmen, Thomas and George Lewis, who came under the prohibited head of "British skilled iron-workers," and as such were compelled to smuggle their way across the Atlantic and into the colony of Penn.

So, nature having provided excellent ship timber and the colonists having a genius for ship-building and sailing, they quietly established a remunerative trade with the West Indies and with many nations more or less remote. This was intolerable to the mother country. The Navigation

Act was passed as a remedy. It provided that "No goods or commodities whatever, the growth, production or manufacture of Europe, Africa or America, shall be imported into England or Ireland, or into any of the Plantations (American colonies), except in ships belonging to English subjects, of which the master and the greater number of the crew shall also be English."

This and subsequent navigation acts destroyed our West India trade. Prices of goods imported and exported, and their quantities, fell entirely under English jurisdiction. All she sent to us was free of duty. All sent to her was upon her own conditions. Nothing could be sent, except in her bottoms, and to the destination and upon the terms she imposed. As Burke said in Parliament, "By it (the Navigation Act) the commerce of the colonies was not only tied, but strangled."

Our Revolutionary history, familiar to every schoolboy, acquaints us with the English method of extracting revenue directly from her colonies by means of such inventions as the Stamp Act, the Tea Tax, etc. They were but parts of an ingenious and stupendous system of home protection which eventuated in established manufactures and commerce, and in a final declaration of independence of the rest of the world in these respects.

Just here, the thought is foreign to neither the theme nor time, it may well be wondered why so astute a nation as Great Britain, after two hundred years of an attempt to make a simple wheat granary of America, and after the energies which followed American independence fully established the fact that such a granary was within reach, did not rather choose to take advantage of it, than fly to others in India and in the Islands of the sea, far more remote and far less obedient to the comities of trade. Did she

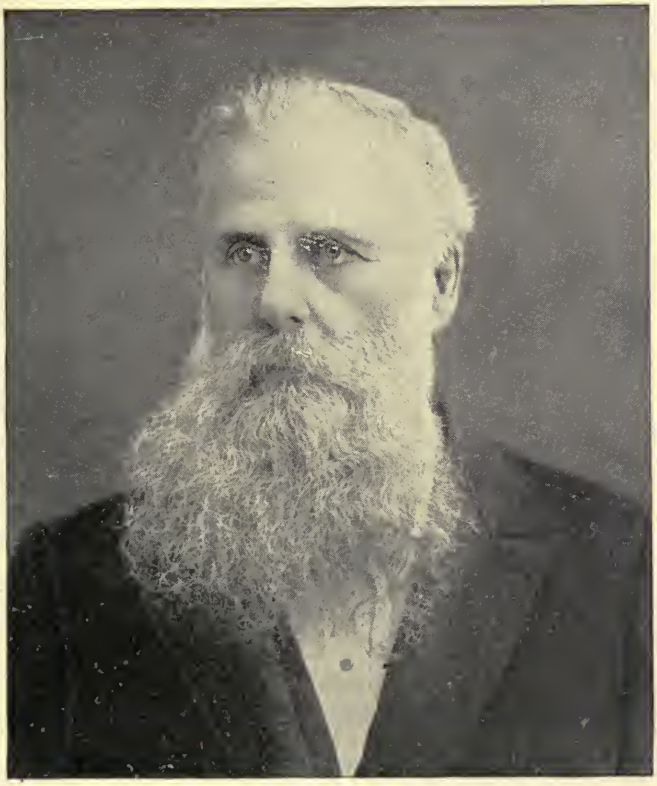
scent the possibilities of American development and the rise of a home market, which would absorb the annual agricultural product, or at least create a demand from which her capital would shrink?

A FIRST EXPERIMENT.

After the treaty of 1783 which closed the Revolutionary war and established American Independence, up until 1789, the date of the first American Tariff Act, the ports of this country were open to the goods of all nations. Most of this time (to 1787) was the era of the Confederacy. This period was one during which the States were held together by very weak ties, by "a rope of sand" as one historian has it. They had conceded little in their "Articles of Confederation," and had withheld entirely from the central government the right to regulate their commerce. Each State strove to secure trade for itself, and each imposed restrictions on foreign commerce as it saw fit, or left them unimposed. The consequence was that there was no concert of action. The condition which arose was worse than a free-trade condition, for one State was sure to nullify the commercial enactments of another, through jealousy or some other motive.

When Pennsylvania imposed a slight tariff on certain classes of imports, New Jersey opened a free port at Burlington and flooded the city of Penn with smuggled goods. When New Jersey voted to impose a general tariff New York refused, and in revenge the free port of Paulus Hook began to supply New York with non-dutiable imports.

Thus the States were a prey to one another. The statesmen of the day saw how suicidal the policy, or rather, the lack of policy, was, and there was no one source of weakness that seemed so fatal, nor the lack of any vital principle



HON. JOSEPH N. DOLPH.

Born in Watkins co., New York, October 19, 1835; educated at Genesee Weslyan Seminary; studied law and admitted to bar at Binghamton in 1861; enlisted in the "Oregon Escort," 1862; same year settled in Portland, Oregon; City Attorney of Portland and U. S. District Attorney of Oregon, 1864; elected to State Senate, 1866–68–72–74; conducted a large law business; engaged in various business enterprises; elected to the U. S. Senate, as a Republican, March 3, 1883; re-elected January, 1889; served with distinction on Committees of Claims, Public Lands, Commerce, Foreign Relations, Coast Defences; an earnest, eloquent, ripened statesman, respected by the Senate and honored in his State.

that impelled so powerfully toward a more perfect constitution than this commercial discord. Not even the flat refusal of New Jersey to comply with an Act of the Congress, nor the open offence of Massachusetts in raising troops to crush Shay's rebellion, affected the public mind so forcibly and paved the way so directly toward a stronger central union, as the quarrel between Virginia and Maryland as to commercial rights on the Chesapeake and Potomac. This last brought the Annapolis convention in 1786. Hamilton, Madison and Dickinson were there, and they saw no way of preventing the subordination of the States to foreign influence and their extinction as sovereign bodies, except by creating a stronger central government and endowing it with powers sufficient for the settlement of all such discords.

It seemed to require some such mighty exigency to move the States to their second independence. There was nothing so supreme as the thought that colonial independence meant escape from a discriminative and ruinous commercial policy on the part of Great Britain. Search the colonial debates through, and there is not one of moment that does not inveigh against the efforts of England to enrich herself at the expense of other nations, and to complete her commercial and industrial supremacy by overriding their protective systems and sapping their powers for competitive and independent existence. The Declaration of Independence submits it to "a candid world" that Great Britain meant to establish "an absolute tyranny over these States" by "cutting off our trade with all parts of the world," and that among the foremost rights of a free people is the right to "establish commerce."

Says a learned historian: "The most fatal defect of the Articles of Confederation was absence of power to collect revenue, regulate trade, encourage industry. The thoughts

of all our early statesmen were turned to this defect, which to them was the more glaring, because of intimate acquaintance with the British system. So paramount was the necessity for escape from industrial and commercial dependence, and so momentous was deemed the power to protect ourselves that Washington confidently looked to the trade regulations of a more efficient government as a means of giving the country its proper weight in the scale of empires and, with a feeling foreign to his better nature, he declared that such government "will surely impose retaliating restrictions, to a certain degree, upon the trade of England."

The proceedings of the Continental Congress abound in debates, resolutions and committees, having for their object the promotion of home products and the development of home resources. There seemed to be no question among the leaders of thought, so far as the debates show, of the right and duty of the government to foster industry by legislative enactment, nor of the necessity for a new government endowed with ample power to provide revenue through a tariff and at the same time protect its vital interests.

But while this was all so in the minds of statesmen, the inchoate States were afloat on the sea of discord. They had industry, commerce, tariffs, in their own hands. There was no uniform import law, and consequently none at all. One State nullified the laws of another. They were, as Hamilton said, "jarring, jealous and perverse, fluctuating and unhappy at home, and weak by their dissensions in the eyes of other nations."

A prey to one another, they were the natural victims of more knowing, designing, older, richer and advanced nations, and especially that one which sought to revenge defeat of arms by political segregation and commercial conquest.

With intelligence and the instinct of self-preservation arrayed against free traffic with foreign nations, there existed the hard compulsion of circumstances to render the States helpless. Depleted by a long war, with few factories, mills and workshops, with limited means of recuperation, with thirteen hostile systems of commercial independence, they were at the entire mercy of the foreign merchant and manufacturer. There was absolutely no law against importations. The era was one of free-trade, uninterrupted by effective statute, unimpaired by anything except ineffective sentiment.

The consequences must be faced. Says Carey:—"At the close of the Revolution the trade of America was free and unrestrained in the fullest sense of the term, according to the theory of Adam Smith, Say, Ricardo, the 'Edinburgh Reviewers' and the authors of the 'Encyclopædia.' Her ports were open, with scarcely any duties, to the vessels and merchandise of other nations." What befell? As the States were discordant, foreign powers passed laws as they pleased to destroy our commerce. Nearly every foreign nation shipped goods into the country and dumped them promiscuously on our wharves. The consequences followed which never fail to follow such a state of things. Competition on the part of our manufacturers was at an end. They were bankrupted and beggared. The merchants whose importations had ruined them were involved in calamity. Farmers, who had longed to buy foreign merchandise cheap, went down in the vortex of general destruction.

Said a statesman of the day, "The people of America went to war to improve their condition and throw off the burdens which the colonial system laid on their industry. And when their independence was attained they found it was a piece of parchment. The arm which had struck for it in the field was palsied in the workshop. The industry

which had been burdened in the colonies was crushed in the free States. At the close of the revolution the mechanics and manufacturers of the country found themselves, in the bitterness of their hearts, independent—and *ruined*."

Says Bancroft, of the year 1785, "It is certain that the English have the trade of these States almost wholly in their hands, whereby their influence must increase; and a constantly increasing scarcity of money begins to be felt, since no ship sails to England without large sums of money aboard, especially the English packet boats, which monthly take with them between forty and fifty thousand pounds sterling. The scarcity of money makes the produce of the country cheap, to the disappointment of farmers and the discouragement of husbandry. Thus the two classes, the farmer and the merchant, that divide nearly all America, are discontented and distressed."

Said Webster of this period, in a speech delivered in 1833, "From the close of the war of the Revolution there came a period of depression and distress on the Atlantic Coast, such as the people had hardly felt during the crisis of the war itself. Ship-owners, ship-builders, mechanics, artisans, all were destitute of employment and some of them destitute of bread. British ships came freely, and British ships came plentifully; while to American ships and American products there was neither protection on the one side nor the equivalent of reciprocal free-trade on the other. The cheaper labor of England supplied the inhabitants of the Atlantic shores with everything. Ready-made clothes, among the rest, from the crown of the head to the soles of the feet, were for sale in every city. All these things came free from any general system of imposts. Some of the States attempted to establish their own partial systems, but they failed."

HON. HENRY M. TELLER.

Born in Allegany co., N. Y., May 23, 1830; admitted to bar in N. Y.; removed to Illinois, 1858; thence to Colorado, 1861; on admission of Colorado to Statehood, 1876, was elected to U. S. Senate as a Republican; re-elected to U. S. Senate for the term 1876–1882, appointed Secretary of Interior by President Arthur in 1882, and served till March 3, 1885; re-elected to Senate in 1885, and again in 1890, Chairman of Committee on Privileges and Elections; member of Committees on Judiciary, Private Land Claims and Indian Tribes.

There is no history of America covering this time but what repeats the above views, over and over again, and if anything, in still more lugubrious terms.

The situation simply affirmed what Lord Goderich said in Parliament:—"Other nations know that what we English mean by free-trade is nothing more nor less than, by means of the great advantages we enjoy, to get the monopoly of all the markets of other nations for our manufactures, and to prevent them, one and all, from ever becoming manufacturing nations."

With equal sincerity and emphasis David Syme, another member of Parliament, declared:—"In any quarter of the globe where competition shows itself as likely to interfere with English monopoly, immediately the capital of her manufacturers is massed in that particular quarter, and goods are exported there in large quantities, and sold at such prices that outside competition is immediately counted out. English manufacturers have been known to export goods to a distant market and sell them under cost for years with a view of getting the market into their own hands again, and keep that foreign market, and step in for the whole when prices revive."

END OF THE FREE-TRADE ERA.

It became manifest to even the dullest mind that America was about to lose her political independence in the mire of industrial and commercial subserviency. Says Mason:—

"Depreciation seized upon every species of property. Legal pressure to enforce payment of debts caused alarming sacrifices of both personal and real-estate; spread distress far and wide among the masses of the people; aroused in the hearts of the sufferers the bitterest feelings against lawyers, the courts and the whole creditor class; led to a popular

clamor for stay-laws and various other radical measures of supposed relief, and finally filled the whole land with excitement, apprehension and sense of weakness and a tendency to despair of the Republic. Inability to pay even necessary taxes became general, and often these could be collected only by levy and sale of the homestead."

Figures began to pile up and to tell their awful tale. In 1784–85, imports from Great Britain alone swelled to $30,000,000, while our exports reached barely $9,000,000. In Hildreth's history we read: "The large importation of foreign goods, subject to little or no duty, and sold at peace prices, was proving ruinous to all those domestic manufactures and mechanical employments which the non-consumption agreements and the war had created and fostered. Immediately after the peace, the country had been flooded with imported goods, and debts had been unwarily contracted, for which there was no means to pay."

In Maine a Convention was held for the purpose of revolting from Massachusetts on account of the prevailing distress. In New Hampshire the people surrounded the Legislative hall and declared the body should not adjourn till it passed a measure to absolve the people from debt. Shay's rebellion in Massachusetts was but a protest against suffering on the part of the people. In speaking of its causes Hildreth says: —"The want of a certain and remunerative market for the produce of the farmer, and the depression of domestic manufactures by competition from abroad."

In Connecticut alone five hundred farms were offered for sale to pay taxes. The condition was the same in Pennsylvania and the Carolinas. Real estate found no market. Debtors were compelled to close out at one-fourth the value of their lands. Men distrusted one another. The best securities were offered at half their face value.

At length the newspapers of the period, without regard to party, began to clamor for change. Pamphleteers arose without number, and joined in the cry of necessity for a change. Merchants, business men, farmers, artisans, laborers echoed the universal sentiment:—"We have had enough of free-trade. It has but one meaning for America, and that is utter neglect of ourselves and the forced sale of our energies, opportunities and resources to the older and better equipped nations. We have won political independence at a cost of seven years of war, we have yet to win the still longer battle for industrial and commercial independence, or else the victory of foreign nations over us will be greater than our recent victory over them."

Every one saw what was patent to John Stuart Mill, and what he incorporated into his "Principles of Political Economy," that: "What prevented the rapid recuperation of the United States, after the peace of 1783, was the system of free foreign trade, allowed to add its devastations upon industry to those of the Revolution."

Educated by a dreadful experience, it became the conviction of all parties that the power of industrial and commercial protection, so conspicuously and fatally absent in the Articles of Confederation, must repose somewhere. No other thought impelled more powerfully toward a Union of States under a Federal Constitution. "Four causes," says Bancroft, "above others, exercised a steady and commanding influence. The New Republic, as one nation, *must have power to regulate its foreign commerce; to colonize its large domain; to provide an adequate revenue; to establish* justice in domestic trade by prohibiting the separate States from impairing the obligation of contracts."

From this time on till the Constitution became a fact, September 17, 1787, or rather, until the Government became

a fact, April 30, 1789, a unanimous political and business sentiment persistently and eloquently urged a stronger government, imbued with the paternal instinct, able and willing to defend and encourage home industries and interests. State responded to State in this behalf; statesmen echoed the complaints and arguments of statesmen. Every political school joined in the pleas for industrial and commercial independence. One of the most assuring phases of the situation was the entire unanimity of artificers, mechanics and working men, who gathered in large assemblies, and by means of public speeches, whose logic was even more forcible than those of learned statesmen, and by printed resolutions of great vigor and aptness, demanded exemption from the degrading and ruinous competition forced upon them by the free and inordinate influx of foreign goods, upon whose manufacture they depended for a living.

Under these auspices the New Constitution took shape, and Clause 1 of Section VIII. provided that "Congress shall have power to lay and collect taxes, duties, imposts and excises, and to pay the debts and provide for the common defence and general welfare of the United States."

In order to achieve what was equally important in an industrial and commercial sense, viz., perfect interchange of goods and products between the States themselves, or in other words "free-trade" between all the inhabitants of the Union, it was ordained that Congress should never have the power to levy "a tax or duty on articles exported from any State."

Thus endowed, the New Government started on its career. The writers of the Federalist, Hamilton, Madison and others, saw in the above clauses sufficient power to remedy the evils complained of, and they eloquently assured their coun-

HON. JOSEPH R. HAWLEY.

Born in Richmond co., N. C., October 31st, 1826; educated at Hamilton College, N. Y.; admitted to bar in Hartford, Conn., 1850; editor of Hartford *Evening Press* and *Courant* from 1857 to present; enlisted in army April 15, 1861; mustered out as Brevet Major-General January 15, 1866; elected Governor of State, as a Republican, April, 1866; Delegate to Republican National Conventions, 1872–76–80; President of Centennial Exhibition; elected to 42d Congress, November, 1872; re-elected to 43d and 46th Congresses; elected to U. S. Senate, as a Republican, March 4, 1881; re-elected in 1887; Chairman of Committee on Military Affairs, and member of Committees on Coast Defences, Printing and Railroads.

trymen that the protection they demanded for their infant industries could now be given beyond doubt.

Says Bishop: "That the productive classes regarded the Constitution of 1787 as conferring the power and right of protection to the infant manufactures of the country is manifest from the jubilant feeling excited in various quarters upon the public ratification of that instrument."

THE FIRST TARIFF ACT.

The first petition presented to the First Congress, in March, 1789, came from 700 mechanics and tradesmen of Baltimore. It lamented the decline of manufactures since the Revolution, and prayed that the efficient Government with which they were, for the first time, blessed, would render the country "*independent in fact as well as in name*" by early attention to the encouragement and protection of American manufactures and by imposing on "*all foreign articles which could not be made in America such duties as would give a decided preference to their labors.*"

Leagues of artisans and tradesmen, merchants and manufacturers were formed in all the leading cities and industrial centres, for the purpose of urging on Congress an early interpretation of the new powers conferred by the Constitution in the interest of industry and commerce. Charleston shipwrights followed the Baltimore artisans with a powerful petition to the First Congress. Similar petitions came in from Boston, New York and Philadelphia.

As already stated, the universal sentiment of the hour was that the Constitution gave Congress ample power to regulate commerce by a tariff for revenue, for protection or for prohibition, as the case might be. The words "for the regulation of commerce" had a well-understood meaning among American statesmen. They were the words used in

English enactments when like objects were in view and when like powers were conferred, and they had been interpreted so often both on the bench and in actual practice that rational dissent to their meaning was out of the question. Hamilton, Franklin, Madison, Jefferson, Monroe, accorded perfectly as to the nature of the power and the object of the clause. Gallatin said that on his entrance into public life he found but one sentiment respecting the clause among statesmen. There was then no such objection as afterwards arose, and still exists, and which is to the effect that a power to raise revenue by a tariff does not carry the power to protect home manufactures and industries.

Said Washington in his first annual message, "The safety and interest of a free people require that they promote such manufactures as tend to render them independent of others for essentials, particularly military supplies."

The question of a tariff was thus injected into the First Congress, and became the first theme for discussion. It was a Congress which embraced many farmers, merchants and manufacturers, an industrial rather than professional Congress, though, of course, containing many illustrious lawyers and statesmen. That first great question thrust upon it has survived all others, and is as momentous to-day as ever. The other class of questions which drew fiercer, but not more learned, discussion, such as nullification, the national bank, slavery, secession, reconstruction, has happily found a grave.

After the passage of a bill regulating the oath of office, the Congress took up the tariff bill, and it became the first general Act of the First Congress. Its preamble foreshadowed its purport: "Whereas, it is necessary for the support of the Government, for the discharge of the debt of the United States, and for the encouragement and pro-

tection of manufactures, that duties be laid on imported goods, therefore be it enacted," etc.

This preamble drew no dissent. Statesmen North and South gave it sanction. The bill itself drew the widest range of debate, and the learning brought into the discussion of its merits has never been surpassed in considering the same subject, though of course facts, statistics and experience have changed the lines of argument, and remodelled theories. This learning not only bore on all the economic phases of the question, as then understood, but it was exhaustive of the principle that the Constitution designed to secure to the infant manufactures and struggling industries of the country the protection they needed against the riper experience and cheaper labor of Europe.

The debates upon this bill were not as to the necessity for protection, nor as to the fact that the legislation proposed was or was not in principle the best for the purpose. They were rather upon the question of general method of procedure, and as to whether or not the States might be robbed of some of their reserved rights if too liberal a construction were thus early put upon the Constitution. The question of what rate of duty would raise the required revenue and what would insure the needed protection was also a novel one and the subject of animated discussion, as it broke entirely new ground, and was beyond the range of all precedents and experience. Among the leading debaters were James Madison, Richard Henry Lee, Charles Carroll, Rufus King, Oliver Ellsworth, Fisher Ames, Roger Sherman, James Trumbull, and others, and these all impressed their genius and wisdom on the First American Tariff Act.

The Act became a law by the signature of Washington, affixed July 4, 1789. The rates of duty provided by the Act were, in modern acceptation, ridiculously low, yet as

the legislation was entirely experimental, and as there were no precedents to steer by, there was general acquiescence in the provisions, not only as insuring revenue but as establishing protection. The class of articles subjected to duty is the best guide to the spirit of the Act. It imposed the highest duties on those manufactures and industries which were deemed most in need and most worthy of encouragement. They embraced the iron and steel of Pennsylvania; the glass of Maryland; the cotton, indigo and tobacco of the Southern States; the wool, leather, paper and fisheries of the Eastern States. There was hardly an article introduced into it whose freedom from foreign competition had not been petitioned for, and the desirability of whose home growth or manufacture had not been made clear to the majority in Congress.

A powerful spur to the passage of this Act had been the oft-repeated boast of Great Britain that while America had achieved political independence, it had been reconquered commercially, and was a more abject and useful appendage than before. It was therefore quite natural that the friends of the Act, and those who hoped most from its provisions, should regard it as in the nature of a second Declaration of Independence, and as far more valuable to the Government and the people for the spirit it evinced and the possibilities it contained, than for the rates of duty it established.

This Act was followed the next year, 1790, by Hamilton's lengthy and able report upon "Commerce and Manufactures." This report was designed to emphasize the principle of protective legislation. It embraced all the learning and experience of the older nations bearing upon the subject, and it served the purpose of reconciling an almost universal party sentiment to the operations of the Act of 1789, while it more than ever committed the budding nation

to the doctrine he advocated. It was in this report that he enunciated the principle which protectionists of to-day claim to be fully proved by experience, to wit, that internal competition is an effectual corrective of monopoly, and in the end tends to a lower scale of prices for protected manufactures than prevailed for foreign. His interpretation of the powers conferred on the Government by the clause of the Constitution relating to taxes, revenue and the common defence has been accepted by all political parties, and it now prevails without regard to party lines.

This Act of 1789 and this report of 1790 form the beginning of an historic and practical protective era in the United States. It was an era which lasted, under varying conditions, which we shall note, up until 1816.

The previous session of the First Congress had been an extra one. It was now, January 4, 1790, in First Regular Session at Philadelphia and had received Hamilton's celebrated report. Federals and Anti-Federals divided over the payment of the debts, especially those of the States, and the doctrine of open or close construction of the Constitution was fast shaping up political lines. However, there was very little division of sentiment on the propriety of increasing the rates of duty provided by the Act of July 4, 1789, and they were increased by the Act of August 10, 1790, which went into effect January 1, 1791.

During the Second Session of the First Congress, which opened October 24, 1791, at Philadelphia, there was much excitement owing to opposition to the Excise Laws of the previous session and the rebellion against them in Pennsylvania, known as the "Whiskey Rebellion." The animosities thus aroused served to widen the gap between the Federals and Anti-Federals, but not enough to defeat further tariff legislation. The Act of May 2, 1792, was passed without

much difficulty. It took effect July 1, 1792, and it increased the *ad valorem* rates of duty from 2½ to 5 per cent. This was the third Tariff Act in three years, and the drift of legislation was in favor of higher and more protective duties.

During the First Session of the Third Congress which met December 2, 1793, party lines became still more distinct over matters of tariff legislation. The Anti-Federals had now taken the name of Republicans, and, though without a definite policy of their own, found means of coherence and growth in opposing Federal doctrines. Yet it was a comparatively easy matter to pass the Tariff Act of June 7, 1794, which took effect July 1, 1794. All parties were agreed as to the necessity of providing additional revenue, which the increased *ad valorem* rates in the Act were designed to secure. All parties were also agreed that a tariff was the quietest and easiest way of attaining such revenue, and the Anti-Federals, or Republicans, who had violently opposed the excise laws, were even more fully committed to a tariff as a revenue measure than the Federals. They, however, began to draw the line when the doctrine of protection was broached. Not all, of course, but a few whose strict construction notions dominated their economic views.

The next tariff legislation was the Act of May 13, 1800, which took effect July 1, 1800. This legislation was not difficult and was still in the line of protective duties. It raised the duties on sugar half a cent a pound and on silks 2½ per cent.

On March 26, 1804, an amended Tariff Act was passed which took effect July 1, 1804. It must be remembered that now the country had undergone a political revolution, that the Republicans were in power in Congress and that Jefferson was President. Yet the Tariff Act of 1804 was in the line of increased duties.

All the Acts thus far were amendatory of the original Act of 1789, and were helpful of the provisions and operations of that Act. As sufficient time had elapsed to form opinions of the workings of that Act, or in other words, to witness the effects of incorporating protective tariff legislation into our institutions, it will be profitable to turn to the sentiment of the times respecting it.

In his seventh annual message, Washington said:—"Our agriculture, commerce and manufactures prosper beyond example. Every part of the Union displays indications of rapid and various improvement, and with burdens so light as scarcely to be perceived."

John Adams in his last annual message said:—"I observe with much satisfaction that the product of the revenue during the present year is more considerable than at any former period."

Thomas Jefferson in his second annual message said:—"To protect the manufactures adapted to our circumstances is one of the land-marks by which we should guide ourselves."

The provisions of the Act of 1789 and its amendments had, in their practical workings, so far exceeded expectations, that in 1806 Jefferson found the revenues more than ample for the requirements of the Government. In speaking of the surplus he said in his sixth annual message:—"Shall we suppress the imposts and give that advantage to foreign over our domestic manufactures? On a few articles of more general and necessary use, the suppression, in due season, will doubtless be right, but the great mass of the articles on which imposts are laid are foreign luxuries, purchased only by the rich, who can afford themselves the use of them."

In 1809 he wrote to Humphrey thus:—"My own idea is

that we should encourage home manufactures to the extent of our own home consumption of everything of which we raise the raw materials."

Said Madison in his special message of May 23, 1809:—"It will be worthy of the just and provident care of Congress to make such further alterations in the laws as will more especially protect and foster the several branches of manufactures which have been recently instituted or extended by the laudable exertions of our citizens."

Says Harriman in writing of the Tariff of 1789:—"Agriculture became more extensive and prosperous; Commerce increased with wonderful rapidity; old industries were revived and many new ones established; our merchant navy revived and multiplied; all branches of domestic trade prospered; our revenues exceeded the wants of government; the people became contented and industrious; the whole country was on the high road to wealth and prosperity."

THE EMBARGO AND TARIFF OF 1812.

Now while many provisions in the Tariff Acts up to 1808 embraced the protective doctrine, such as duties on hemp, cordage, glass, nails, salt and various manufactures of iron, as has been noted the duties were low, according to present standards. Protection of the textiles and of unmanufactured iron had not been much thought of. But they were soon to draw attention and become the great subjects of the protective controversy.

The year 1808 marks a turning-point in the industrial history of our country. The Berlin and Milan decrees of Napoleon and the English Orders in Council led to the Embargo Act of December, 1807. The Non-Intercourse Act followed it in 1809. War was declared against Great

HON. WILLIAM F. VILAS.

Born at Chelsea, Vt., July 9, 1840; moved to Madison, Wis., 1851: graduated at State University, 1858; studied law at University of Albany, N. Y., 1860, and admitted to bars of New York and Wisconsin, Began practice at Madison, July 9, 1860; entered Union army, and mustered out as Lieutenant-Colonel of 23d Reg. Wis. Vols.; a Professor in Law Department of State University since 1868; Regent of same, 1880–85; member Board of Revision of Statutes, 1878; elected to Wisconsin Legislature, 1885; delegate to Democratic National Conventions, 1876–80–84; appointed Postmaster-General by President Cleveland, March 7, 1885; appointed Secretary of Interior, January 16, 1888; elected to United States Senate, January 28, 1891; member of Committees on Claims, Civil Service, Indian Affairs, Pensions and Quadro-Centennial.

Britain in 1812. On July 1, 1812, the Tariff Act was passed, which became a law immediately.

The passage of this Act was strongly urged by Madison in his message to the Twelfth Congress:—"As a means to preserve and promote the manufactures which have sprung into existence and attained an unparalleled maturity throughout the United States during the period of the European wars." The younger leaders of the Republican party took up Madison's request and were prepared to go to any length to grant it. Calhoun and Lowndes joined their logic to Clay's eloquence in favor of the doctrine that protection to home industries should no longer occupy a place secondary to the revenue idea. South Carolina became the highest protection State in the Union, England having levied a duty on raw cotton. The entire Republican party swung away from its strict construction notions and became such liberal interpreters as that they quoted with the utmost favor the report of Hamilton upon which the earlier Tariff Acts were based. The Federals were dazed with the situation, and, failing to see anything good in their opponents, quite forgot their own traditions, and swung, under the lead of Webster, quite to the anti-protection side of the controversy.

Out of the confused situation came the "American Idea" and the Whig party, which was Clay's outlet from the strict construction columns. The Tariff Act of the session—a Republican, or, as some have it, a Democratic Act—marks the highest rates of duty reached from the foundation of the government up till 1842. It practically doubled the rates existing before. Sugar went from 2½ cents per pound to 5 cents; coffee from 5 cents to 10 cents; tea from 18 cents to 36; pig iron from 17½ per cent. to 30 per cent.; bar iron from 17½ per cent. to 30; glass from 22½ per cent. to 40; manufactures of cotton from 17½ per cent. to

30; woolens from 17 per cent. to 30; silk from 15 per cent. to 25.

The Embargo Act of 1808, the Non-Intercourse Act of 1809, and the highly protective Tariff Act of 1812, constituted a series of restrictive measures which had the efficacy of prohibitive duties. They gave an enormous stimulus to all branches of industry whose products had before been imported. Establishments for the manufacture of cottons, woolens, iron, glass, pottery and other articles, sprang up as if by magic. The success of this extreme protection formed the basis of that powerful movement which subsequently became the heritage of the Whig party, and which had for its object the decided limitation of foreign competition both as to manufactures and commerce.

TARIFF ACT OF 1816.

The logic of the Tariff Act of 1816 is not understood by economists, nor can it be accounted for by any one except upon the theory that having passed through a war, the country would probably settle back into some such condition as existed prior to 1808. The controlling element in Congress was still the young element, the element responsible for the war and therefore responsible for its results. They had proven themselves avowed protectionists by the passage of the Tariff Act of 1812, and by the favor with which they regarded the new manufactures which had arisen. They were still willing to assist them, for they clung to fair duties in the Act of April 27, 1816, on those goods in which the most interest was felt, as in textile fabrics.

But here the fatality which overhung the Act came in. Cotton and woolen goods were to pay a duty of 25 per cent. —a protective duty—till 1819. After that they were to pay 20 per cent. On some other classes of goods the duties

were decreased directly, on others increased. As to the textiles, Calhoun urged strongly the argument in favor of protecting young industries, and at the same time limiting the protection, after a period when they ought to be on their feet.

As a whole the Act of 1816 was protective, but it looked to a period only three years off, when it would no longer be so. This was its misfortune. It prepared foreign nations for our market. Though our breadstuffs, provisions, cotton and every product of the soil were high in price; though wages and rents were high; the currency was very weak and unsettled. Home competition had reduced the price of our manufactured products. The manufacturers of Great Britain found their warehouses bursting with wares. They looked with awe on the American situation, which revealed to them the fact that our home industries had robbed them of a market. This must not be. Those industries are only tentative. By 1819, when the duties of 1816 reach their minimum, they can no longer survive. We will begin the crushing process now. Said Lord Brougham in the House of Commons, "It is well worth while to incur a loss upon our first exportation, in order, by the glut, to stifle in the cradle, those infant manufactures in the United States, which the war has forced into existence."

Great Britain began to unload her surplus manufactures upon our shores at far below cost. They were goods that were not new, nor fashionable, nor in demand at home. The protective features of the Act of 1816 were insufficient to stay the flood. More than twice the quantity were imported that could be consumed. Great depression in business set in. Bankruptcy became general. The near approach of 1819, when the minimum rates of duty should go into effect, but encouraged the inflow of foreign products. Says

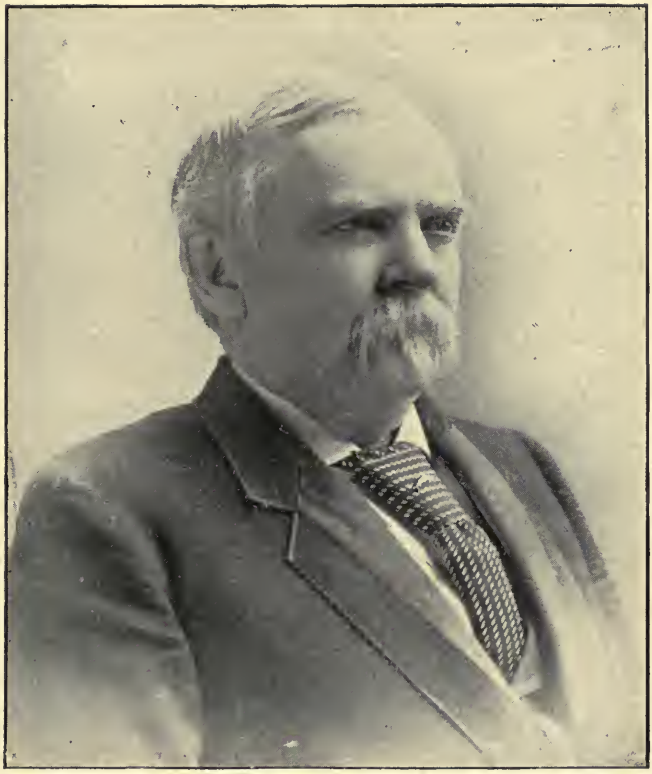
Thomas H. Benton, "No price for property; no sales except those of the sheriff and marshal; no purchasers at execution sales save the creditor or some money hoarder; no employment for industry; no sale for the products of the farm; no sound of the hammer save that of the auctioneer knocking down property. Distress was the universal cry of the people; relief, the universal demand, was thundered at the doors of Legislatures, State and Federal."

This condition of affairs appalled Congress and brought about the Tariff Act of 1818, which simply extended the already ineffective provisions of the Act of 1816 for a period of seven years and placed some few free articles on the dutiable list. It did not prove remedial to the extent expected and the panic of 1817–19 extended over a period of several years.

TARIFF ACT OF 1824.

The sad condition of affairs, before described, rendered relief necessary. The liberal side of the Republican party held the ascendant in the Eighteenth Congress, December 1, 1823, and elected Clay Speaker of the House. In his message, President Monroe not only announced the celebrated "Monroe Doctrine," but inclined to the popular faction of his party on matters of protection and internal revenue. He urgently recommended "additional protection to those articles which we are prepared to manufacture."

A bill was framed and debated for two months. Calhoun who had deserted Clay, Daniel Webster and John Randolph, led the free-trade forces. Andrew Jackson and James Buchanan were among the strongest advocates of the bill. It did not fix rates as high as the Act of 1812, but it recognized the doctrine of protection more distinctly than any former Act. The strict constructionists urged their old argument against the constitutionality of protection and, for



HON. GEORGE GRAHAM VEST.

Born at Frankfort, Ky., December 6, 1830; graduated at Centre College, Ky., 1848, and at Law Department of Transylvania University, 1853; same year moved to Missouri and began practice of law; Presidential Elector on Democratic ticket, 1860; member of Missouri Legislature, 1860–61; served for two years as member of Confederate Congress, and one year in Confederate Senate; elected to U. S. Senate, as a Democrat, 1879; re-elected 1885 and 1890; member of Committees on Transportation, Commerce, Judiciary, Public Buildings and Grounds, and Quadro-Centennial.

the first time in our history, supplemented it with the argument that a protective tariff was unfair to the South. As the lines shaped up they presented almost a solid array of Southern against a solid array of Northern States.

The bill passed by a close vote, May 22, 1824, and it fully engrafted the "American System" on our national politics. It fixed a duty on sugar of 3 cents per pound; coffee, 5 cents; tea, 25 cents; salt, 20 cents; pig-iron, 20 per cent.; bar-iron, $30 per ton; glass, 30 per cent. and 3 cents a pound; manufactures of cotton, 25 per cent.; woolens, 30 per cent.; silk, 25 per cent.

The financial and industrial situation responded promptly to this Act. There was such a pronounced betterment of affairs that the friends of the Act were encouraged to try their hand at further legislation in the line of protection.

TARIFF OF 1828.

In the Twentieth Congress the Democrats (formerly Republicans) were in a majority. They were divided, however, over a Protective Tariff. Those of the Northern States united with the National Republicans (Whigs) and brought about the Tariff Act of May 19, 1828. It was largely a Jackson measure, who had carried New York, Pennsylvania and Illinois, on his protective tariff record.

This Act of 1828 had little peculiar about it, except that it increased the duty on woolens and few raw materials, including wool. Yet it proved to be one of the most momentous Tariff Acts in our history. (1) It emphasized the "American Idea" by introducing protection in every change of the Act of 1824. (2) It was the turning-point of the hitherto hostile New England sentiment, Webster having changed ground and entered on its advocacy. (3) The South entirely sectionalized its opposition to it, and justified

nullification of it as a blow at the planting interests, as a discrimination against unpaid labor, and as unconstitutional.

Of the operations of the two protective Acts of 1824 and 1828, Jackson said in his message of 1832:—Our country presents on every side marks of prosperity and happiness, unequalled perhaps in any portion of the world." Webster said:—"The relief was profound and general, reaching all classes—farmers, manufacturers, ship-owners, mechanics, day laborers." Clay said:—"If the term of seven years were selected to measure the greatest prosperity of this people since the establishment of the Constitution, it would be exactly that period of seven years which immediately followed the passage of the Tariff Act of 1824."

TARIFF ACT OF 1832.

The Tariff Act of 1828 led to bitter party and sectional turmoil. The South was bitterly opposed to it. It had become a kind of fashion to prepare for a National Campaign by amending the Tariff Act. An Act passed May, 1830, which scaled considerably the rates of duty of the Act of 1828, proved unsatisfactory, because it did not eliminate the protective features of that Act. The nullifying sentiment of the South demanded the repudiation of the protective policy and the affirmation of the free-trade policy by the government. It was a powerful sentiment and must be appeased, else Jackson could not hope to succeed himself.

Hence the Tariff Act of 1832, which reduced the rates of duty considerably and placed coffee and tea on the free list. It failed of its purpose, because it contained no repudiation of the protective idea. Nullification set in all the same and South Carolina, November 19, 1832, declared the Tariff Acts of 1828 and 1832 "null and void."

TARIFF ACT OF 1833.

The Twenty-second Congress—December 3, 1832—at its second session, had to meet the question of Nullification. It passed the "Force Bill," which enabled Jackson to collect the duties under the Act of 1832, and then it changed the tenor of the Act by the Compromise Act introduced by Henry Clay, passed March 2, 1833, and designed to show to the nullifiers that the protectionists were not necessarily their enemies. It had the weakness of all compromises, and was immediately heralded by the nullifiers as their vindication, as a surrender of the "American System" and as a justification of South Carolina. It did not enact anything affirmatively, but took the tariff of 1832 as a basis, and scaled its rates by biennial reductions, till at the end of ten years a uniform rate of not exceeding 20 per cent. should prevail. This was ingenious and gradual repeal of a protective Act and a practical abandonment of the protective principle. It was notice to the people and was accepted as such by all foreign countries, that the United States had repudiated its earlier policy of protection. Henceforth the tariff was fully afloat on the sea of politics.

A very few biennial reductions brought the rates of the tariff of 1832 to where they were no longer protective, and there came an inundation of foreign goods as in 1817–19. Financial depression followed. Prices fell; production diminished; workmen became idle; farm products found no market; public revenue fell off 25 per cent.; the government had to borrow at a ruinous discount in order to pay current expenses. The nation was in the midst of the calamitous panic of 1837—worse even than that of 1818–19. Aside from the moral strain of the disaster, the money loss was estimated at $1,000,000,000.

TARIFF OF 1842.

The drift of popular sentiment was entirely away from Van Buren, 1837–1841. The Whigs took the lead and nominated William Henry Harrison, in December, 1839, without a platform. The Democrats renominated Van Buren in May, 1840, and placed him on an elaborate platform which contained the plank:—"Justice and sound policy forbids the government to foster one branch of industry to the detriment of another, or one section to the injury of another." It also contained a plank which read:—"The Constitution does not confer the right on the government to carry on a system of internal improvements."

Harrison was elected President and the Congress had a Whig majority of six in the Senate and twenty-five in the House. Harrison died in just one month after his inauguration, April 4, 1841, and Tyler became President. It was well known that he was not a protectionist. The Whigs enacted the Tariff Act of August 30, 1842, in obedience to a popular demand. The debates on it were acrimonious and, as to the opponents, involved the old arguments of 1828 and 1832, against the constitutionality of protection and the right to nullify an Act of Congress. It passed, however, and President Tyler vetoed it, giving as a reason that it violated the compromise of 1833, which, as to protection and revenue, was to run till 1842, and, as to non-discrimination against the planting interests, was practically without time. This Act contained pronounced protective features. Another Act was passed, without protective features, but with a clause providing for the distribution of any surplus that might arise to the States. This too was vetoed. A third Act was passed without the *surplus* clause. This became the Tariff Act of August 10, 1842.

HON. JOHN B. GORDON.

Born in Upson co., Ga., February 6, 1832; educated at University of Georgia; read law and admitted to bar; entered Confederate army and rose to rank of Major-General; wounded eight times; Democratic Candidate for Governor of Georgia, 1868; Presidential Elector for State-at-Large, 1868 and 1872; elected to U. S. Senate, as a Democrat, 1872; re-elected to Senate, 1879; elected Governor of State, 1886; re-elected, 1888; re-elected U. S. Senator, 1890; member of Committees on Civil Service, Coast Defences, Railroads, Territories and Transportation.

It found, under the operation of the Scaling Act of 1833, a uniform duty of 20 per cent. This it changed, by raising cotton goods to 30 per cent.; woolens to 40 per cent.; silks to $2.50 per pound; bar-iron to $25 per ton; pig-iron to $9 per ton; sugar to 2½ cents per pound. Tea and coffee remained free. Clay and Calhoun, who were together in the Compromise of 1833, were antagonists over this Act of 1842. This was the Twenty-seventh Congress.

The Act of 1842 was so shorn of its original features that it could scarcely be called protective, but such as it was it sufficed to lift the cloud of depression and introduce an era of prosperity which had not been witnessed since 1832. Business revived. Factories began to operate. Customs receipts rose and put the Government in possession of much needed revenue. Labor sprang into demand. Farm produce rose in price. A large demand arose for iron, wool, cotton, coal, and through competition in manufactures, and the introduction of labor-saving machinery, the prices of manufactured articles were cheaper than ever before. Roads, canals, ships, returned a profit. Corporations, States, and even the general Government, rose from bankruptcy to high credit. Said President Polk in his message of 1846, "Labor in all its branches is receiving ample reward. The progress of our country in resources and wealth and in the happy condition of our people, is without example in the history of nations."

THE TARIFF ACT OF 1846.

The National Whig Convention of 1844 introduced this plank into its platform:—"A tariff for revenue, discriminating with reference to protection of domestic labor." The Democrats reaffirmed their opposition to protection, as in the platform of 1840, though they went to the country on

the cry of "Polk, Dallas and the Tariff of 1842." The election of Polk and a Democratic House favored the passage, in the Twenty-ninth Congress, of a Tariff Act which should repeal or modify that of 1842, for it was known that the South was bent on such repeal. But northern Democrats refused to bow to the situation. Debate took a sectional turn. Northern Democrats pleaded the promises of the campaign, not to interfere with the Tariff of 1842. They were overruled. The Act of July 30, 1846, passed the House, which had a Democratic majority of 61 votes. In the Senate, which had a Democratic majority of five, it met with a tie, and the tie was broken by the casting vote of George M. Dallas, Vice-President, who voted in favor of the measure. The Act of 1846 reduced the rates of 1842, from 5 to 25 per cent., introduced the theory of general *ad valorem* duties, and affirmed the doctrine of revenue without incident protection. It was a disappointing Act to Northern Democrats and Whigs, and while it was far removed from the promises of the campaign, it nevertheless fitted in with the National platform.

While the reduced tariff of 1846, and the means by which such reduction was secured, led to that revulsion of public sentiment which culminated in the Whig successes of 1848, the country happily escaped for a time the disasters which had followed, quickly and inevitably, former tariff reductions.

The Mexican war (1846–48) created an extra demand for munitions and supplies estimated at over $100,000,000.

The discovery of gold in California (1849) increased the demand for labor, agricultural products, mining materials and shipping; and sent for ten years $55,000,000 a year in gold into the country.

The European countries were in revolution (1848–51).

Their agricultural and manufacturing industries were paralyzed. They could not export; on the contrary required food supplies.

The Crimean war followed, involving all Europe, and creating an extraordinary demand for American breadstuffs.

The Irish famine occurred and added to the demand for additional breadstuffs.

From 1846 to 1856 these adventitious aids to the industries and trade of the United States proved to be better than any protective agency that might have been sought through forms of tariff laws. But unfortunately they were foreign to sober enactment and any economic principle. They came and went without regard to our domestic situation, our comfort or discomfort, our weal or woe.

By 1854 the true economic condition began to assert itself. Foreign imports reappeared in our marts in amazing quantities and at demoralizing prices. The crises abroad being over, our exports declined. Manufactories suspended operations, being unable to compete with the supply from abroad.

In 1848 the national Democratic platform contained a plank denouncing a Tariff, except for revenue, and hailing "the noble impulse given to the cause of free-trade by the repeal of the tariff of 1842, and the creation of the more equal, honest and productive tariff of 1846." The Whigs did not adopt a platform.

The National Democratic platform of 1852 reaffirmed that of 1848, in great part; and that of the Whigs affirmed "a tariff for revenue with suitable encouragement to American industry."

The Democratic platform of 1856 contained the plank:—"That the time has come for the people of the United

States to declare themselves in favor of free seas and progressive free trade throughout the world."

The new Republican party did not introduce a tariff plank into its platform of 1856.

THE TARIFF ACT OF 1857.

In the Thirty-fourth Congress, December 3, 1855, the Democrats had a majority of 9 in the Senate, but their magnificent majority in the previous House was turned into a medley of straight Democrats, pro-slavery Whigs, Know-Nothings and Anti-Nebraska men. Owing to the Kansas-Nebraska troubles, the Congress was not a dispassionate body. While it showed a spirit of generosity in encouraging railroad enterprise and grants of public lands, it swung without apparent cause, and in the face of solemn admonitions, clear over to a free-trade policy, and under existing circumstances struck the country a cruel blow on the very last day of its Second Session, March 3, 1857. This is the date of the Tariff Act of that year. The only excuse offered for its passage was the redundancy of revenue. This was almost instantaneously met by a flood of importations, for the Act reduced duties along the entire line of imports of leading articles, almost to such rates as had prevailed before the war of 1812, and had prevailed at no time since, except at the end of the sliding scale in 1841, as provided in the Compromise Act of 1833.

As had ever been, the already tottering industries were struck with paralysis, and there occurred an exhaustive outpour of specie to foreign parts. Within six months of the passage of the Act the country was in the midst of distressing panic. No branch of industry escaped the disaster. Ruin was deep and universal. Ere it ceased there were 5,123 commercial failures. The government was compelled

HON. ISHAM G. HARRIS.

Born in Franklin co., Tenn.; educated at Winchester Academy; admitted to bar at Paris, Tenn., 1841; elected as Democrat to State Legislature, 1847; elected to Congress as Democrat to represent Ninth Congressional District, 1849; re-elected in 1851; moved to Memphis and continued law practice; elected Governor of State in 1857, 1859 and 1861; served during war as Aid to Commanding General of Confederate Army of Tennessee; resumed law practice at Memphis, 1867; elected to United States Senate in 1876; re-elected, 1883 and 1889; an able debater, earnest statesman of the strict-construction school, and popular with his constituents.

HON. MICHAEL D. HARTER.

Born at Canton, O., April 6, 1846; educated as a banker and manufacturer; an ardent advocate of economic reforms, and an able writer and speaker upon financial and industrial subjects; opposed to class legislation and to a debased currency; elected to 51st Congress, as a Democrat, for 15th Ohio District, by a majority of 3800 votes; re-elected to 52d Congress; distinguished in the debates of the Congress, and in shaping legislation; a studious, conservative, but courageous man, preferring the intelligent and sensible in politics to the sensational and temporary, and therefore a rational rather than radical factor in his party.

to borrow money for necessary expenses at a discount of eight to ten per cent. Up to 1861 the public debt increased $46,000,000, and during the same time the expenditures exceeded the receipts by $77,234,116. President Buchanan, in his annual message, said: "With unsurpassed plenty in all the productions and all the elements of natural wealth, our manufacturers have suspended; our public works are retarded; our private enterprises of different kinds are abandoned; thousands of useful laborers are thrown out of employment and reduced to want. We have possessed all the elements of material wealth in rich abundance, and yet, notwithstanding all these advantages, our country, in its monetary interests, is in a deplorable condition."

TARIFF ACT OF 1861.

The Democratic platform of 1860 affirmed that of 1856. The Republican platform favored a revenue for duties, with such adjustment of them as would "develop the industries of the whole country."

By the withdrawal of members from the Thirty-sixth Congress, to follow the seceding States, the Republicans came into a strong majority during the second session, met December 3, 1860. They improved their opportunity by the passage of the Tariff Act of March 2, 1861. The Act was natural to the party and the situation. It increased duties all along the line of imports, and reintroduced the protective principle which had prevailed with slight modification from 1789 to 1832, and from 1842 to 1846. It is needless here to inquire into the rates of duty established by this tariff. They differed radically from those imposed in the Act of 1857, and were so laid as to best effect the object of revenue, which was then, or soon would be, greatly

needed, and at the same time apply and confirm the doctrine of protection, as to labor, manufactures and a home market.

The war of the Rebellion helped to sanction this Act to the popular will and universal need. It was amended by the Act of December 24, 1861, so as to increase the revenues. It was still further amended by the Act of June 30, 1864, which increased rates of duty, and made them more protective. There was another amendment, March 2, 1867, which chiefly related to manufacture of woolens, an industry which had been greatly stimulated by the war, and which was threatened by foreign competition in time of peace.

The principle of both revenue and protection had now been strained to the uttermost by the exigency of war, and the period had arrived for a modification of duties. This modification came about under the amendatory Tariff Act of June 6, 1872, which reduced duties to a considerable extent, but without much discrimination, and added largely to the free list.

TARIFF ACT OF 1874.

Though this Act did not attempt general revision, and was still amendatory, it was nevertheless important in the respect that it was an attempt to correct the inconsiderate reductions of the Act of 1872. The panic of 1873 had followed the reductions of 1872, and though it was a world's panic, and hardly attributable to the legislation of any one nation, it served as a reminder that such catastrophes had invariably succeeded a too rapid reduction of duties and too wide a departure from the policy of protection. Therefore the Act of June 22, 1874, stiffened rates on dutiable articles of a kind which was liable to suffer from competition, broadened the protective idea as to new industries and home labor, and at the same time allowed a liberal free list, mostly of raw materials and unmanufactured articles. It was passed

during the first session of the Forty-third Congress, which had a large Republican majority.

TARIFF ACT OF 1883.

The Republican platform of 1880 contained a distinctive protective plank; the Democratic platform declared for "a tariff for revenue only." The Forty-seventh Congress had a Republican working majority in the House, but a tie in the Senate. Owing to the death of Garfield and the little work done by the previous Congress, it stood at the apex of an immense amount of legislation. At the first session, a bill was passed, May 15, 1882, creating a Tariff Commission. This Commission sat at various places during 1882, and its report became the basis of the Tariff Act of the succeeding session. It was a non-partisan Commission, and its existence was due to a sentiment pervading all parties that some highly deliberate step was necessary to correct the incongruities of existing Tariff Acts, and re-adapt rates of duty to our newer and more widely diversified industries.

The Commission worked laboriously, and with deference to the spirit of reform which had called it into existence, and, it may be said, with due regard to the sentiment of the hour against prohibitive, or even protective, rates as to established industries. Its conclusions pointed to measures which reduced duties along the entire line of imports, in general at least 25 per cent., in some cases more, in others less. Though the Congress did not adopt all of the conclusions of the Commission, its report, as already stated, formed the groundwork of the Act of 1883.

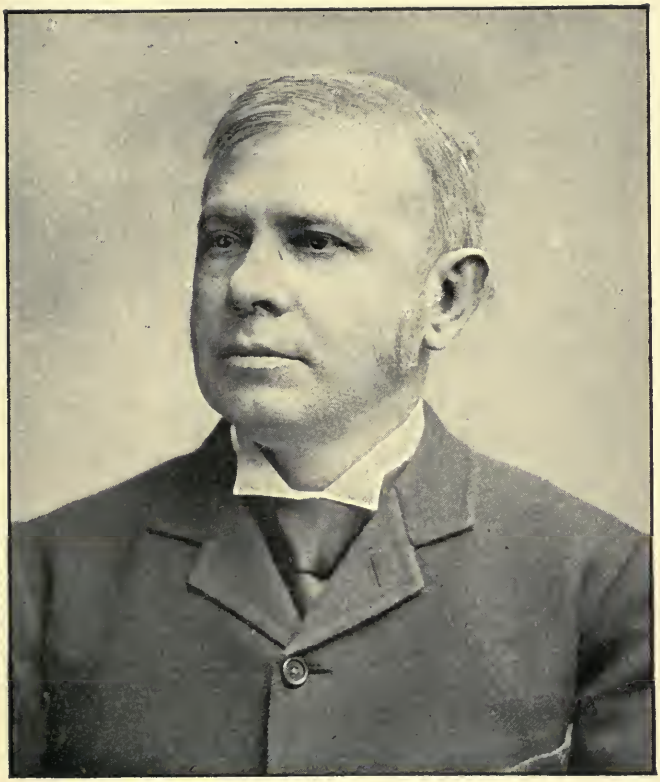
The Act was passed March 3, 1883, after protracted discussion. While it strove to equalize rates and abolish incongruities, it did not prove to be a success. Interests were so conflicting that it was impossible to avoid crudities and

hardships. The demands of manufacturers for lighter duties on, or for free, raw materials worked to the injury of the producing classes, and *vice versa*. The Act was in the nature of a compromise all round, but it showed that the entire country had come to regard this class of legislation as of the highest moment, and vital to its interests.

In the Forty-eighth Congress (1884), which, after the political "tidal wave" of 1882, contained a large Democratic majority in the House, a determined effort was made to pass the Morrison Tariff Bill, which provided for a horizontal reduction of duties to the extent of twenty per cent. The Democrats divided on the merits of the bill and it was disposed of by striking out its enacting clause.

TARIFF ACT OF 1890.

The Republican National platform of 1884 distinctly enunciated the doctrine of protection. The Democratic platform contained a pledge of "tariff revision." There was no further excitement over the tariff till President Cleveland delivered his message to Congress in December, 1887. It was devoted almost wholly to tariff systems and laws, excepted to existing duties on wool and necessaries, and directly opposed the protective idea. It was an earnest paper and had all the weight of a deliberate and special announcement to the American people. The free-trade wing of the party hailed it as a recognition of their views. The "revenue reform" element, headed by Mr. Randall, regarded it as unwise, as containing the seeds of political disaster, and as crushing out the minority element in the party. The Republicans treated it as a challenge to contest to the bitter end the issue of Free-Trade *vs.* Protection, though they regarded it as unnecessarily bitter in expression, especially in such sentences as, "But our present tariff laws,



HON. ANTHONY HIGGINS.

Born in New Castle co., Del., October 1, 1840; graduated at Yale, in 1861; studied law at Harvard Law School and admitted to bar, 1864; appointed Deputy Attorney-General, 1864; United States Attorney for Delaware, 1869–76; Chairman of Republican State Committee, 1868; candidate for United States Senate, 1881, and received vote of Republican members of Legislature; Republican candidate for Congress, 1884; elected to United States Senate, as Republican, in 1889; term expires March 3, 1895; first Republican Senator from State in great number of years; Chairman of Committee on Manufactures, and member of Committees on Coast Defences, District of Columbia, Interstate Commerce, and Privileges and Elections.

the vicious, inequitable and illogical source of unnecessary taxation, ought to be at once revised and amended." The English press was profuse in its praise, and as the *Spectator* said, "His terse and telling message has struck a blow at American protection such as could never have been struck by any free-trade league."

What became known as the "Mills' Tariff Bill," supposably framed to meet the President's views, was reported to the House of Representatives March 1, 1888. It made significant reductions in existing tariff rates, and at once became the absorbing measure of the first session of the Fiftieth Congress. It was evident that upon it, and the repeal of internal taxation, party lines would be closely drawn, except as to the Democratic contingent led by Mr. Randall. The bill proved to have been hastily and crudely drawn, and the debates upon it took a wide range and were exhaustive of the merits of free-trade and protection. It passed the House July 21, 1888, but was met by a counter bill in the Senate, which embodied the Republican doctrine of protection. The two parties were now hopelessly wide apart, the time of the session was exhausted, and both appealed to the country on the record made in the Congress.

The Republican national platform of 1888 pledged uncompromising favor for the American system of protection. The Democratic platform reaffirmed that of 1884, endorsed the views of President Cleveland in his last annual message, and also the efforts of the Democratic Congress to secure a reduction of excessive taxation.

The issue of the campaign of 1888 is well known. With Harrison was elected a Republican Congress. The issue had been so wholly that of Free-trade *vs.* Protection that the way of the Republican majority was plain. The Com-

mittee of Ways and Means, whose chairman was William McKinley, invited all the interests concerned in tariff revision to a hearing. A bill was finally framed, which became known as the "McKinley Bill." The effort was to embody in the bill the experience of all former tariff legislation, and what was best of all former Acts; to impose rates of a distinctively protective character, and in the interest of American labor, on manufactures which could exist here, but whose existence was threatened by foreign competition; to impose similar rates on goods, such as tin plates, which we did not, but could manufacture, and ought to; to largely reduce the duty on necessaries, or exempt them altogether, as by making sugar free; to increase the free list by placing all raw materials on it whose importation did not compete with the home growth of the same; to introduce the policy of reciprocity by which we could gain something by enlarged trade in return for the loss of duties on sugars and such articles.

A great deal of thought was given to the bill, and it was fully debated in Congress. Perhaps no Tariff Act was ever passed, in whose preparation so many interests had been so fully consulted, and with whose provisions the varied interests were so fully satisfied. Certainly none ever passed that had to undergo more minute criticism, whose merits were more elaborately discussed, and respecting which so many prophecies, good and bad, were indulged. Its passage occupied the entire time of the first session of the Fifty-first Congress, and it was not until October 1, 1890, that it became a law. No other enactment of the Congress approached it in importance.

So prominent was this legislation, and such the character of prophecies respecting it, that hardly anything else was heard in the Congressional campaign of 1890. As the im-

aginations of its opponents had free play, and as nothing could be affirmed of its practical workings by its friends before it began to work, there was another political "tidal wave" like that of 1882, and the Democrats entered the Fifty-second Congress with an overwhelming majority.

They were under the same obligations to repeal the obnoxious McKinley Act, and enact a measure which embraced their views, as the Republicans were in the Fifty-first Congress. They were in far better condition to do this, as to the House, for their majority was overwhelming. They, however, did not attempt repeal or general revision, but introduced a series of Acts relating to special articles, such as the lowering of duties on manufactures of wool and on tin-plates, and the placing of wool, binding twine, etc., on the free list. The discussion of these provisions was animated, and in general they passed the House. They served to keep the sentiment of the respective parties prominent, and to shape the issues for a retrial in the campaign of 1892, by which time the practical workings of the Act of 1890 will have tested many theories, and will compel orators to hew closely to lines of facts and figures in order to carry conviction.

The McKinley Act increased duties on about 115 articles, embracing farm products, manufactures not sufficiently protected, manufactures to be established, luxuries, such as wines. It decreased duties on about 190 articles, embracing manufactures established, or which could not suffer from foreign competition. It left the duties unchanged on 249 articles. It enlarged the free list till it embraces 55.75 per cent. of all imports, or 22.48 more than previous tariffs. The placing of sugar on the free list was a loss of revenue equal to $54,000,000 a year.

DRIFT OF TARIFF LEGISLATION ABROAD.

The nations which occupy the Continent of Europe have, without exception, introduced into their commercial and industrial systems, within a very few years, the principle of protection. This has been marked by economists of every school. Great Britain alone has remained firm to her doctrine of free-trade. On May 23, 1892, Lord Salisbury, the English Premier, delivered a speech at Hastings, in which he discussed the attitude of Great Britain as to her external trade. The speech, coming from so high an authority, created great excitement among English Conservatives, drew a wide range of comment from the newspapers of the world, and seemed to presage a new departure in the applied economics of the realm.

Its points, bearing on external trade, were :—

"After all, this little island lives as a trading island. We could not produce in foodstuffs enough to sustain the population that lives in this island, and it is only by the great industries which exist here, and which find markets in foreign countries, that we are able to maintain the vast population by which this island is inhabited.

"But a danger is growing up. Forty or fifty years ago everybody believed that free-trade had conquered the world, and they prophesied that every nation would follow the example of England and give itself up to absolute free-trade.

"The results are not exactly what they prophesied, but the more adverse the results were, the more the devoted prophets of free-trade declared that all would come aright at last.

"The worse the tariffs of foreign countries became the more confident were the prophecies of an early victory, but we see now, after many years experience that explain it,

HON. JAMES K. JONES.

Born in Marshall co., Miss., Sept. 29, 1839; educated in classics and law; served in Confederate army; a planter till 1873; began law practice at Washington, Arkansas, and elected to State Senate in 1873; re-elected in 1877, and became President of the body; elected, as Democrat, to 47th, 48th and 49th Congresses; elected to U. S. Senate in 1884; re-elected in 1890; term expires March 3, 1897; member of Committees on Agriculture and Forestry, Indian Affairs, Interstate Commerce, Irrigation and Territories.

how many foreign nations are raising, one after another, a wall—a brazen wall of protection—around their shores which excludes us from their markets, and, so far as they are concerned, do their best to kill our trade, and this state of things does not get better. On the contrary, it constantly seems to get worse.

"Now, of course, if I utter a word with reference to free-trade, I shall be accused of being a protectionist, of a desire to overthrow free-trade, and all the other crimes which an ingenious imagination can attach to a commercial heterodoxy.

"But, nevertheless, I ask you to set yourselves free from all that merely vituperative doctrine and to consider whether the true doctrine of free-trade carries you as far as some of these gentlemen would wish you to go.

"Every true religion has its counterpart in inventions and legends and traditions, which grow upon that religion. The Old Testament had its Canonical books and had also its Talmud and its Mishna, the inventions of rabbinical commentators.

"There are a Mishna and a Talmud constantly growing up. One of the difficulties we have to contend with is the strange and unreasonable doctrine which these rabbis have imposed upon us.

"If we look abroad into the world we will see it. In the office which I have the honor to hold I am obliged to see a great deal of it.

"We live in an age of a war of tariffs. Every nation is trying how it can, by agreement with its neighbor, get the greatest possible protection for its own industries, and at the same time the greatest possible access to the markets of its neighbors.

"This kind of negotiation is continually going on. It

has been going on for the last year and a half with great activity.

"I want to point out to you that what I observe is that while A is very anxious to get a favor of B, and B is anxious to get a favor of C, nobody cares two straws about getting the commercial favor of Great Britain.

"What is the reason of that? It is that in this great battle Great Britain has deliberately stripped herself of the armor and the weapons by which the battle has to be fought.

"You cannot do business in this world of evil and suffering on those terms. If you go to market, you must bring money with you. If you fight, you must fight with the weapons with which those you have to contend against are fighting.

"The weapon with which they all fight is admission to their own markets, that is to say, A says to B: 'If you will make your duties such that I can sell in your market I will make my duties such that you can sell in my market.'

"But we begin by saying that we will levy no duties on anybody, and we declare that it would be contrary and disloyal to the glorious and sacred doctrine of free-trade to levy any duty on anybody, for the sake of what we can get by it.

"It may be noble, but it is not business.

"On those terms you will get nothing, and I am sorry to have to tell you that you are practically getting nothing.

"The opinion of this country, as stated by its authorized exponents, has been opposed by what is called a retaliatory policy.

"We, as the government of the country, have laid it down for ourselves as a strict rule from which there is no departure, and we are bound not to alter the traditional

policy of the country unless we are convinced that a large majority of the country is with us, because in these foreign affairs consistency of policy is beyond all things unnecessary.

"But, though that is the case, still if I may aspire to fill the office of a councillor to the public mind, I should ask you to form your own opinions without a reference to traditions or denunciations, not to care two straws whether you are orthodox or not, but to form your opinions according to the dictates of common sense—I would impress upon you that if you intend in this conflict of commercial treaties to hold your own you must be prepared, if need be, to inflict upon the nations which injure you the penalty which is in your hands, that of refusing them access to your markets.

"The power we have most reason to complain of is the United States, and what we want the United States to furnish us with mostly are articles of food essential to the feeding of the people and raw materials necessary to our manufacturers, and we cannot exclude one or the other without serious injury to ourselves.

"Now, I am not in the least prepared, for the sake of wounding other nations, to inflict any dangerous or serious wound upon ourselves.

"We must confine ourselves, at least for the present, to those subjects on which we should not suffer very much, whether the importation continued or diminished.

"But what I complain about of the rabbis of whom I have just spoken is, that they confuse this vital point. They say that everything must be given to the consumer. Well, if the consumer is the man who maintains the industries of the country or is the people at large, I agree with the rabbis.

"You cannot raise the price of food or of raw material, but there is an enormous mass of other articles of importation from other countries besides the United States which are

mere matters of luxurious consumption, and if it is a question of wine or silk or spirits or gloves or lace, I should not in the least shrink from diminishing the consumption and interfering with the comfort of the excellent people who consume these articles of luxury, for the purpose of maintaining our rights in this commercial war, and of insisting on our right of access to the markets of our neighbors.

"This is very heterodox doctrine, I know, and I should be excommunicated for maintaining it.

"But, as one's whole duty is to say what he thinks to the people of this country, I am bound to say that our rabbis have carried the matter too far.

"We must distinguish between consumer and consumer, and while jealously preserving the rights of a consumer who is co-extensive with a whole industry, or with the whole people of the country, we may fairly use our power over an importation which merely ministers to luxury in order to maintain our own in this great commercial battle."

AMERICAN IRON AND TIN-PLATE FIGURES.

MANUFACTURES OF IRON.

Imports and exports for first eight months of the three latest fiscal years:

Year.	*Imports.*	*Exports.*
1889–90.....	$26,966,085	$16,735,594
1890–91.....	29,820,502	18,823,384
1891–92.....	16,329,207	20,463,764

For the first time in the history of the country the exports of iron manufactures exceeded the imports in 1891–92, and America practically cut loose from foreign invention in iron and steel.

HON. DAVID B. HILL.

Born in Chemung co., N. Y., August 29, 1843; graduated at Havanna Academy; admitted to Elmira bar, November, 1864, and appointed City Attorney; member of State Assembly, 1871–72; President of Democratic State Conventions, 1877, 1881; elected Mayor of Elmira, 1882; President of New York Bar Association, 1886–87; elected Lieutenant-Governor of New York, November, 1882; succeeded Grover Cleveland as Governor, January, 1885; elected Governor, November, 1885, on Democratic ticket; re-elected Governor, 1888; elected to United States Senate, as Democrat, 1891; a distinguished party organizer and leader; name much discussed in connection with the Presidency.

TIN-PLATE FIGURES.

From quarterly returns made to Treasury Department:

Duty on tin-plate prior to July 1, 1891.....1 cent per lb.
Duty after July 1, 1891, McKinley Act.....2.2 cents per lb.
Manufactories in United States July 1, 1891.....None.
Manufactories reported to Treasury Department as having started during quarter ending September 3, 1891.....5
Yearly capacity equal to..... 27,000,000 lbs.
Manufactories reported to Treasury Department for quarter ending December 31, 1891.....11
Yearly capacity equal to..... 60,000,000 lbs.
Manufactories reported to Treasury Department for quarter ending March 31, 1892.....19
Yearly capacity equal to.....300,000,000 lbs.
Actual production for above quarter..... 3,000,000 lbs.
Amount of capital invested March 31, 1892..... $3,000,000
Tin-plate imported, 1890.....680,060,925 lbs.
Value of same.....$20,928,150
Cost of a box of tin-plate (108 lbs.) in Liverpool, January 1, 1891 .....$4.23
Additional duty on same after July 1, 1891..... 1.29
Cost of box of tin-plate in Liverpool (108 lbs.) April 1, 1892. 3.02
Importation of tin-plate for 8 months ending Feb. 28, 1891..525,904,757 lbs.
Importation of tin-plate for 8 months ending Feb. 29, 1892..177,114,874 lbs.

HISTORIC REVIEW OF THE SILVER QUESTION.

THE use of metal as a medium of exchange and a measure of value has an old and interesting history. The province of money has ever been a conspicuous theme in political economy. Lately in our country all discussion of money has been given a new turn, and been rendered momentous and exciting by the fact that political parties have chosen to divide upon questions of coinage, quantities, kinds and values of our metallic circulating medium, and seek to make them issues in their campaigns.

This has given to what is popularly known as "The Silver Question," or "The Free Coinage Question," a prominence it never had before. It is within the bounds of truth to say that the "Silver Question" quite overshadows the "Tariff Question" in the Fifty-second Congress, and bids fair to divide honors with that question for a considerable time. Next to, and perhaps equal with, the doctrines of Free-Trade and Protection, it concerns the business interests, the life and work, the labor and property, of every man in the country, from the humblest toiler to the largest capitalist. No man who works for daily bread, no man who has a dollar saved, no man who has a house or farm, no man who has his capital in factories, stocks, mortgages, or other securities, ought to be ignorant of a question which so intimately concerns his welfare. It is, perhaps, a matter of regret that a question so purely economic should fall into political channels, but such is the fate of all these great questions under our free system of government, and our

people are seemingly better satisfied with results obtained in their own popular way, than through the media of learned theories and abstruse teachings. In as much they prefer to use their own judgments and to abide by their own verdicts, the obligation is imposed on them of informing themselves as far as possible respecting the merits of this question, and all questions that similarly affect them.

WHAT IS MONEY?

Says Laveleye: "Money is the substance or substances which custom or the law causes to be employed as the means of payment, the instrument of exchange and the common measure of values."

The difficulty of bartering wares against wares brought into use an intermediate means of effecting the exchange. This means was money, which became an agent of circulation and a vehicle of exchange—the cart for transferring property in an object from one person to another, just as the actual cart transferred the object itself.

Again, money came to be the universal equivalent. When one sells a bushel of wheat for a dollar, the dollar is the equivalent of the wheat. One can, in turn, make the dollar the equivalent of other goods, which he needs more than the wheat or the dollar. Says Adam Smith: "A piece of gold may be considered as an agreement for a certain quantity of goods payable by the tradesmen of the neighborhood."

Still further, money is a common measure or standard of values. Some one has called it "The yardstick of commerce." Length, weight, value, need to be compared with something, in order to subdivide them and turn their parts to use. Hence, a foot is made a standard of long measure, and when we say a stick is twelve feet long, we know ex-

actly how long it is, and all men will know. This is much more definite and satisfactory than to say, the stick is as long as twenty hand-breadths, for some hands are larger than others, and the stick would be longer or shorter, according to each measurer. So, if we say a barrel of flour weighs as much as two pigs, we get but a vague and varying idea of its weight, for pigs differ in size and weight. But when we set up the pound as a standard of weight, and say that a barrel of flour weighs 196 pounds, all men will have a common idea of its weight. It is the same with value. The value of a horse may be equal to five cows, but as cows have one price to-day and another to-morrow, you have selected a very uncertain means of finding the value of a horse. By the use of money as a common valuer, as in the foot or the pound, you get a definite idea of the value of a horse. When you say it is worth one hundred dollars, or a hundred times one dollar—the dollar being the standard or measurer of value—all men fall to the idea, know what a horse is worth.

The foot standard is exactly ascertained and rigidly fixed. The pound standard is also accurately ascertained and rigidly fixed. In attempting to fix a standard for measuring values, great difficulty is encountered, for, unfortunately, the substances used for measuring the values of articles of commerce are themselves merchandise, and subject to variation in value like all goods. The best that can be done, therefore, as to values, is to select as true and invariable a standard of measurement as possible, to watch it closely, and to correct from time to time the expansions and contractions occasioned by commercial heat and cold.

KINDS OF MONEY.

The Siberians used furs as money. The Spartans used

iron. The African uses cloth, salt and cowrie-shells. Cattle held the largest place as money among the ancients and many of our financial and commercial words are derived from old words indicating the early prominence of the flock and herd. The arms of Diomede were valued at nine oxen; those of Glaucus at one hundred oxen. The Franks levied a tribute of oxen on the conquered Saxons. Our word "pecuniary" is the Latin *pecus*, "cattle." Our "fee" is the Saxon *feoh*, cattle.

Metal money was first employed as representing value in cattle. The ox or sheep became its emblem and was stamped on the metal.

As civilization progressed and exchanges became more frequent, gold and silver took the place of all cruder metals and devices, as money.

This was because time and experience had proved their superiority as measurers of value and media of exchange.

They do not deteriorate by keeping.

Their production is limited by scarcity of their ores. This gives great value in proportion to weight, and facilitates handling, transport and hoarding.

The annual losses of the precious metals by wear and tear and by absorption in the arts have so nearly equalled the annual production, as that the excess of production has seldom exceeded the ratio of increase in population and the growing demand for money. Thus the demand and supply being nearly equal, the value of gold and silver remains very stable, as compared with other metals, or other measures of value.

The accumulated stock of the precious metals, estimated in money and ornaments at $10,000,000,000 in the world, tends to lessen variations in value that might be occasioned by diminution or failure of the annual supply.

All civilized nations seek and accept gold and silver as a means of facilitating exchange.

Gold and silver are easily divisible into parts and proportions of given weights and values.

They receive with ease and permanently the impression which distinguishes their weight, size, design and value.

They are readily distinguishable from other metals; gold by its weight, silver by its sound.

THE VALUE OF MONEY.

The purchasing power of money ascertains its value. The pure silver which would have bought eight bushels of wheat during the Middle Ages, would bring only two bushels, after the discovery of America. Therefore, it was said of silver, that it had declined to one-fourth of its previous value.

Supply of an article usually affects its value, but a supply of money involves the quantity in existence and the rapidity of its circulation. A dollar that makes three exchanges a day is worth three dollars that make one exchange a day.

If the demand for money is less than the supply, its value decreases; only we don't say so, but that prices rise. If the demand for money is greater than the supply, its value increases; but we say, that prices fall.

Alterations in the value of money lead to confusion in commercial, legal and economic relations. A decrease in the amount or value of money seriously affects the debtor classes. An increase in the amount or value of money injures the creditor classes.

MONEY SYSTEMS.

The gold and silver that enter into money are not pure, but mixed with alloy, usually copper, to save the coins from

wearing. The quantity of alloy generally introduced is about one-tenth, that is, one part alloy to nine parts of pure metal.

In England, the unit of money, gold or silver, of which the other coins are multiples, is the sovereign or pound; in France, the franc; in Germany, the mark; in Holland, the florin; in the United States, the dollar. The larger coins are generally made a legal tender for debts, without limit. Smaller fractional or subsidiary coins are generally made a legal tender for debts, with a limit as to amount. Still smaller coins, cents, nickels, and such as rank as "token money," are made legal tender for debts of a still smaller amount.

Formerly, monarchs, cities, bishops and nobles claimed the right to coin money, and they frequently abused their right by diminishing the value of the currency, either by reducing the quantity of pure metal in the coins, or by declaring them to have a legal value far beyond their intrinsic value. Solon decreed that the mina should be worth a hundred drachmas instead of seventy-three. Plutarch says of this decree: "In this way, by paying apparently the full value, though really less, those who owed large sums gained considerably, without causing any loss to their creditors." Says Laveleye, "Plutarch here expresses the error which has inspired all issues of depreciated and paper currency. No one seems to lose, because payments are made just as well with coins reduced in value as with the unreduced. What is forgotten is that prices rise in proportion as the unit of money loses its value."

At the present time the right of coinage is, as a rule, reserved by the sovereign State, and is jealously guarded. In most countries the coining of the standard coin is free.

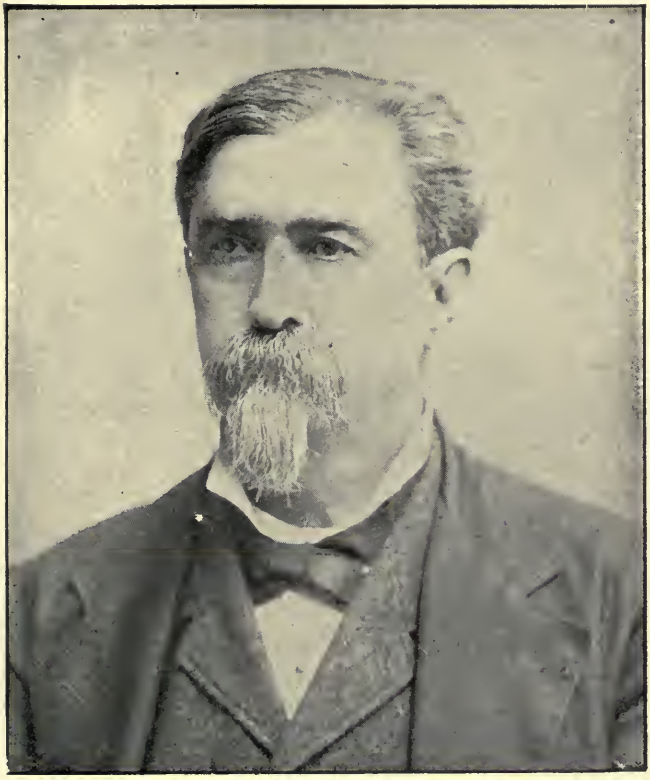
In France, Italy, Switzerland and Belgium, which countries agreed, in 1863, to form the Latin Monetary Union,

all gold coins and five-franc pieces are accepted as standard. The minor silver coins are a legal tender for only small debts, and the mints cannot issue them to a greater extent than the value of six francs for each inhabitant. The system of the Latin Union is the double standard or bi-metallic system; that is, it permits the free and unlimited coinage of both gold and silver pieces, to each of which it gives legal currency, or the right to be accepted in all payments. It has, however, been compelled to modify this system to suit circumstances.

Countries whose system is "single standard or mono-metallic," as in England, where it is gold, and in Austria, where it is silver, accord free and unlimited coinage and legal-tender quality only to the metal they fix as the standard. The mono-metallic system is the simpler, as to relation of value between coins of different denominations; but as to relation of value between money and goods, the bi-metallic system is more sensitive and, consequently, exact.

In 1558 Thomas Gresham, one of the councillors of Queen Elizabeth, demonstrated that the money which has the less value will drive from circulation the money which has the greater value. This is known in monetary science as "GRESHAM'S LAW."

In 1717 Sir Isaac Newton showed that a means of obviating the ill effects of "Gresham's Law" existed, by fixing the relation of value between gold and silver the same in all countries. In later times attempts have been made to do this by means of International Monetary Congresses. Attempts to establish a fixed relation of value between gold and silver by single countries have not proved satisfactory. Economists are by no means agreed as to which metal, gold or silver, is preferable as a standard. That the largest number of countries, certainly the largest commercial coun-



HON. DANIEL W. VOORHEES.

Born in Butler co., Ohio, September 26, 1827; moved in infancy with parents to Indiana; graduated at Indiana Asbury, 1849; studied law and began practice, 1851; United States District Attorney for Indiana, 1858–61; elected to 37th, 38th, 39th, 40th, 41st and 42d Congresses; appointed Senator to fill vacancy caused by death of O. P. Morton, November 12, 1877; distinguished as advocate of greenback currency and free silver coinage; elected to Senate, 1879; re-elected, 1885 and in 1891; eminent as leader and exponent of Democracy; member of Committees on Finance, Immigration, Library, and Chairman of Committee to provide additional accommodations for Library of Congress.

tries, adopt gold as the standard metal, implies some powerful reason for it; but it by no means disproves the theory that gold itself shifts in value like silver and probably quite as much. Indeed, not a few aver that much of what appears to be a shift in the value of silver is really a shift in the value of gold, with which the silver is compared. They also say that in the very nature of things silver is a metal of more stable value than gold, because its production comes from deep mines, with costly machinery, and an annual output which cannot be increased except at great expense, nor lessened without great loss; whereas the product of gold, most of which comes from auriferous sands, may increase or diminish very greatly in a short space of time.

BEGINNING OF AMERICAN COINAGE.

Immediately after the peace of 1783, and while the Articles of Confederation constituted our only bonds of government, some of the prominent patriots, notably Morris, Jefferson and Hamilton, began agitation looking to the establishment of an American Mint. Naturally the character of the proposed mintage came under discussion. This was the "Coinage Question" of that day. It was neither political nor bitter as at present, but it was none the less earnest, and involved many of the points now under discussion.

Great respect was paid to the views of Morris, who, as Superintendent of Finance, was well qualified to speak upon the character of the mintage. He reached the conclusion that in as much as the relative values of gold and silver were continually changing, there could be no ratio established between them which would prove stable and satisfactory for purposes of law. Therefore, the only way out of the difficulty, as he reasoned, was for the government to

adopt silver alone as its metallic money, and proceed to coin it. He was a silver mono-metallist.

On account of Hamilton's mastery of finance, his views were equally courted. During the discussions of the subject, which preceded the adoption of the Constitution in 1787, Hamilton made it plain that he was a mono-metallist like Morris, but recognizing the greater value of gold, its higher place among commercial nations and its lesser liability to sudden and extreme fluctuation in price, he preferred it to silver as the metallic standard. Pending these discussions the Confederation came to an end, and the new Constitution appeared (1787) with its provisions as to money and coinage:—The Congress shall have power "to coin money, regulate the value thereof and fix the standard of weights and measures." Art. I.; Sec. 8. Again, "No State shall coin money, emit bills of credit, make anything but gold and silver coin a tender in payment of debts." Art. I.; Sec. 10.

Here then was recognition of two metals as money, and provision for a bi-metallic currency, should such a result be deemed wise. The matter of establishing a mint came up as one of the earliest and most important under the new Constitution. Hamilton made it the subject of a full and able report to Congress in 1791. In this report he adhered to his views that, in the abstract, a mono-metallic standard would be best, but that such standard should be gold in preference to silver. However, reasoning on the line of expediency, he feared that the adoption of a single standard would tend to limit the amount of the circulating medium, a result by no means desirable, in the infant and experimental stage of the Government. Therefore, he concluded that a double standard would be best in practice, and as a policy sufficiently permanent to warrant the forms of law.

His reasons and conclusions proved to be acceptable to the Congress, but there was great diversity of opinion respecting the question of the relative value of the two metals. What should be the fixed ratio between gold and silver? In fixing such ratio, should the price, or purchasing power, of gold at home or abroad be taken? It was finally agreed that American values were alone to be considered, and that the commercial ratio between gold and silver should be as one is to fifteen. One ounce of gold was to be taken as worth fifteen times as much as one ounce of silver.

OUR FIRST COINAGE ACT.

The first Act of Congress relating to coinage was passed April 2, 1792, and was entitled "An Act establishing a mint and regulating the coins of the United States." This Act provided for the coinage of eagles, half-eagles and quarter-eagles of gold, and for "dollars or units," half-dollars and quarter-dollars, dimes and half-dimes of silver. The coinage of cents and half-cents of copper was also provided for. The value of each eagle was fixed as "ten dollars or units, and to contain 247 grains and four-eighths of a grain of pure or 270 grains of standard gold." The half and quarter-eagles bore respectively an exact proportion to the eagle in value, weight and fineness.

The dollar, or unit, was thus provided for:—"Dollars or units—each to be of the value of a Spanish milled dollar, as the same is now current, and to contain 371 grains and four-sixteenths of a grain of pure, or 416 grains of standard silver." The fractional silver coins contained exactly one-half, one-fourth and one-tenth, respectively, of the quantity of fine silver and alloy prescribed for the dollar. The ideal unit for years prior and subsequent to the establishment of the Mint was the pound sterling, yet the Spanish dollar,

during that early period, was the money of commerce and the practical monetary unit, and it was the general custom to express in contracts that payment should be made in Spanish milled dollars. The advocates of silver attach great importance to the expression, "dollars or units," and to the fact that the established unit was the silver dollar. Upon this is based their claim that the silver dollar is the unit of our monetary system, and that the gold coinage is based upon that unit. Each eagle is "to be of the value of $10 or units," and it is declared that the dollar or unit shall be of silver.

This Act provided for the free and unlimited coinage of both gold and silver, and that both coins should be a legal tender. Thus Section 14 reads:

"It shall be lawful for any person or persons to bring to the said Mint gold and silver bullion in order to their being coined, and that the bullion so brought shall be assayed and coined free of expense to the person or persons by whom the same shall have been brought."

Free coinage in this sense does not mean that the mint did its work for nothing. It charged one-half per cent. to indemnify it for the time expended in assaying and coining the bullion.

Section 16 of the Act contained the legal tender clause, making the coins of both metals, even including the fractional silver coins, a legal tender.

A gold dollar, or rather a dollar in gold, at the ratio fixed in the above Act, would contain 24.75 grains of gold. Multiply this by 15 (for there must be fifteen times as much silver in a dollar) and you have 371.25 grains, as the quantity of fine silver for the silver dollar. This ratio was not quite that which prevailed at the time in Europe, the ratio there being about 15½ to 1. Our Coinage Act, therefore,

HON. JOHN LIND.

Born at Ulm, Sweden, March 25, 1854; resided in Minnesota since 1868; educated at public schools; studied law and was admitted to bar, 1877; rose to prominence in his profession; elected, as a Republican, to 50th, 51st and 52d Congresses, to represent Second Minnesóta District, being the only straight Republican elected to Congress in the State during the elections of 1890; an industrious, conscientious and popular member, serving on Inter-State and Foreign Commerce Committee, Committee on Pacific Railroads and Enrolled Bills.

put too low a commercial value on gold. It was worth more as bullion in the markets of the world than in the shape of one of our coins. There was, therefore, little or no inducement for any one to take gold bullion or gold plate to the mint to get it coined into gold money, for the utmost they could get for it would be coin of gold equal to fifteen times its weight in silver. In Europe the same weight of gold would command fifteen and a half times its weight of silver. Not only was there no inducement to sell gold to the mint for purpose of coinage, but even what was coined followed to a great extent the law of a commercial commodity, and was retired as something more worthy to hold than the cheaper metal, silver, which measured its value in a popular sense, or else it sought, even as gold coin, the market abroad, where one part of gold commanded fifteen and a half parts of silver.

In those early times we were not in a position as a nation to impress a commercial value on metals used as coin. The law fixed a ratio. The mint impressed the law on the coins. After that they followed largely the higher and more arbitrary laws of commerce and of nations. They were in the markets of the world and subject to their fluctuations. And this was true, even though we had great need for metallic money, as all new countries have where population is sparse, where intercommunication is slow and irregular, and where credit has not yet learned to lend its conveniences to trade.

In spite of the ratio of 15 to 1, established for our bimetallic currency by the Act of 1792, the foreign, or commercial, ratio forced itself upon us, and for forty-two years, that is from 1792 to 1834, the value of silver, as compared with gold, fluctuated, often rising nearly to 16 to 1, but never falling to 15 to 1. It is clear, then, that silver was

cheaper than gold, and silver currency than gold currency, which fact, as those who oppose the free coinage of silver aver, proved the truth of Gresham's law, mentioned above, that where two metals are made a legal tender and given free coinage at a fixed ratio of value, the cheaper metal will circulate to the exclusion of the dearer.

To illustrate: A yard is 36 inches, but if a merchant finds that if, within law, he can satisfy his customers with a yard of 35½ inches, he will prefer the shorter standard of measure. Sixteen ounces make a pound avoirdupois, but if he can, within law, satisfy his customers with fifteen ounces, he will do so. An ounce of gold is worth in the markets 15½ ounces of silver; he will not use the gold, but the legal equivalent of the gold, or the 15½ ounces of silver, namely, the 15 ounces which he finds in the shape of silver coin, and a legal tender.

This presumes that the ounce of gold set up as the standard of value is fixed, like the yard, as a standard of measure and the pound as a standard of weight. Commercial custom and monetary science incline more and more to this presumption, and as a fact gold is made to so largely measure the value of silver as well as all other commodities, among enlightened nations, as that it performs the functions of a yard stick as to lengths or a pound weight as to weights.

But here the advocates of bi-metallism and free coinage say that gold is not in itself an unchangeable measure of value, as the yard stick is of length and the pound weight is of weight. It has its own fluctuations just as silver has, though perhaps not to the same extent. It is, therefore, not a true measure of value for silver. The Hon. Marcus A. Smith, of Arizona, in his recent speech upon "The free Coinage of Silver," thus treats of this question of gold

measurements and of the principle underlying "Gresham's Law:"

"The inflexible and unchangeable value, which is often attributed to gold coin, is simply the arbitrary value of a standard only measured by itself. This is the value to which the quoted words plainly apply. Governments can no more give fixed commodities, or comparative value, to gold and silver than they can arrest the motion of the stars. David Hume, John Locke, Adam Smith, and all the older economic writers agree that gold and silver both fluctuate in value.

"Profs. Jevons and Walker, more recent authorities, show by comparative tables of statistics that between 1789 and 1809 gold fell 46 per cent.; that between 1809 and 1849 it arose 145 per cent., and that within twenty years after the latter date it fell 20 per cent. It is estimated that during the past eighteen years gold has again risen 30 per cent. Jevons says that—

"'In respect to steadiness of values the metals are probably less satisfactory, regarded as a standard of value, than many other commodities, such as corn.'

"The discovery of new mines, the exhaustion of the old mines, the arbitrary adoption of the metals by governments for money purposes or their demonetization and disuse for such purposes, and the greater or less demand for them for artistic and mechanical uses, are accidents and circumstances which contribute to fluctuation in their value. Usefulness or utility gives desirability. This desirability leads to use, and whether the use be by governments or individuals, or both, for money or in the arts, or for both, it creates the demand which, in connection with supply, gives exchange value.

"The law, custom, or usage, that rendered the fabled

nugget of copper a proper tender by the mummy as a fee to Charon, gave it its monetary value for that purpose. It was the tribal law, custom, or usage which ordained the use of silver as money, that gave to the 400 shekels of silver which Abraham tendered to Ephron the Hittite, and 'current money with the merchants,' its monetary value; it was the law, custom, or usage which decreed the use of silver as money, that gave to the twenty pieces of silver for which Joseph was sold into slavery, and the thirty pieces of silver for which the gentle Nazarene was betrayed to his death, their monetary value.

"In each instance, even on the principles of barter, the use of silver, for other purposes than money, was a factor, contributing to its monetary value, and not by itself creating it. Where barter is applied the sum total of usage gives to the metals what is termed the monetary value, but what, more properly speaking, is only commercial value. Crusoe, on his desert isle, sitting among his sacks of gold, is the synonym of poverty until he finds the grain of wheat which gives promise of food and life. That gold had no commercial value. The grain of wheat was worth immeasurably more than all of it. But let civilized governments, or even barbarous tribes find it, and at once its use for the purposes of money makes it command a thousand times its weight in wheat.

"So far from the value of given articles 'for other purposes' being the sole cause of their monetary value, the former is not always even co-existent with and equal to the latter. Was it the 'value for other purposes' of the iron in the coins of Sparta, under Lycurgus, that gave to those coins their monetary value? Was it the value of the leather 'for other purposes' that gave to the money of Carthage its monetary value? Was it its 'value for other pur-

HON. CALVIN S. BRICE.

Born at Denmark, Ohio, September 17, 1845; educated at Miami University; served in Union army, as Captain of Company E, 108th Regiment Ohio Volunteers; studied law at University of Michigan; admitted to practice, 1866; Presidential elector, on Democratic ticket, 1870 and 1884; Delegate-at-Large for Ohio to St. Louis National Democratic Convention, 1888; member of Democratic National Campaign Committee, and Chairman of same for campaign of 1888 and since; elected to United States Senate as Democrat, January, 1890; member of Committees on Irrigation, Pensions, Post Offices and Post Roads, Public Buildings and Grounds, and Revolutionary Claims.

poses' that gave to the money made in China in the thirteenth century from the bark of the mulberry tree its monetary value? Was it its 'value for other purposes' that gave value to the wampum of the American Indians? Was it their 'value for other purposes' that gave to the glass coin of Arabia, the brass coins of Rome, the pasteboard bills of Holland, the tenpenny nails of Scotland, the musket-balls of Massachusetts, and the cocoa-beans of Mexico, their monetary value?

"Is it its value for other purposes that gives to the $800,000,000 of silver coin in France to-day its monetary value? Is it its value for other purposes that gives to our $400,000,000 of standard silver coin and the millions more of subsidiary and minor coin their monetary value? The commercial value of the silver in the coin of France is $170,000,000 less than its monetary value, and in the United States nearly $100,000,000 less. How obvious, therefore, it is that governments not only by the use of the metals as money add to their commercial value, but at times confer a monetary value beyond and independent of the commercial value?

"Much is said about one kind of money driving another kind out of circulation. The Gresham Law is simply a law of displacement. It applies to all articles of commerce as well as to money. The self-binder displaces the sickle, and the railway train displaces the stage-coach. But the theory that the scarcest money is the best money is on par with the idea that the smallest crop is the best crop. Gold and silver, like other commodities, go where the highest prices are offered, whether the offer comes from individuals or governments. Monetary value is national; commercial value is cosmopolitan. The single-standard metal, whether it be gold or silver, is alternately money and commodity

instrument and article of commerce. Economic law is inexorable.

"England adopted the single-standard in 1819, and Germany, the Latin Union, and minor European states, at a later day. Since 1819 the Bank of England has suspended specie payment nearly a dozen times, the land-owners of England have been reduced from 165,000 to less than 30,000. Her $3,500,000,000 national debt is as large as at the close of the Napoleonic wars, yet bread riots have periodically startled her cities and agitated her statesmen. But two years ago, when heavy drafts were made on her gold by Russia, her Barings touched the borders of insolvency, and, in spite of all the assistance of the Bank of England, plunged several leading New York banks into ruin and carried our country to the edge of panic and financial disaster, Goschen, the chancellor of the British Exchequer, announced to Parliament that the perils attending the increasing competition for gold made a consideration of the return to bi-metallism advisable.

"The rule or law of Sir Thomas Gresham did not apply to gold and silver. In the reign of Queen Elizabeth, I think it was, the coin in circulation was found to be degraded by clipping and general short weight. It was found that as long as any clipped or abraded piece of silver would buy as much as a full-weight piece of silver, the heavy piece was kept out of commerce and used in the arts, and the spurious piece did the trade of the realm. The light displaced the heavy in commerce, or had such tendency, and this is all that the Gresham law meant."

However these things may be in theory, in fact our early gold coins, being worth more, when compared with silver, than the value which was stamped upon them, began to depart either from circulation or from the country entirely.

This movement began almost simultaneously with the passage of our first Coinage Act. It was very perceptible by 1810, and continued until 1834. In all that time there were less than $12,000,000 in gold coined, a large per cent. of which was lost entirely to the country by export. By 1814 the mintage of gold coins had fallen to $77,000. In 1815 it fell to $3,000. In 1816 the coinage of gold amounted to nothing. After 1819 gold disappeared as a circulating medium in the United States.

During this time (1792–1834) there were only 1,439,417 silver dollars coined, and none of these were coined after 1805. The coinage of the silver dollar was in all probability discouraged by the fact that gold was seen to be disappearing, and with the hope that a scarcity of silver dollars might enhance their value. Or, their coinage may have ceased by reason of the fact that the foreign silver coins of that denomination were ample for trade purposes, the bulk of our metallic currency being at that time of foreign make. The mint was not, however, idle. It was busy on fractional or subsidiary coins. By 1834 it had coined $50,000,000 of silver half dollars, and a proportion of lesser coins, which, with the large per cent. of foreign subsidiary coins, furnished an ample minor currency.

This currency condition was far from satisfactory. Bimetallism was not proving the theories of its authors. The question of a change began to be mooted. Some few alterations were made in the Coinage Act from time to time, but the original Act remained in all its essential features up till 1834.

By 1831 Hon. Campbell P. White, an authority on such matters, had reached the conclusion that a system which sought to regulate the standard of value in both gold and silver had inherent and incurable defects. He thought it

had been clearly ascertained by experience that it was impossible to maintain both metals in concurrent, simultaneous and promiscuous circulation.

In 1832 a Committee on Coinage reported that it could not find "that both metals have ever circulated simultaneously, concurrently and indiscriminately in any country where there were banks or money dealers; and they entertain the conviction that the nearest approach to an invariable standard is its establishment in one metal, which metal shall compose exclusively the currency of large payments."

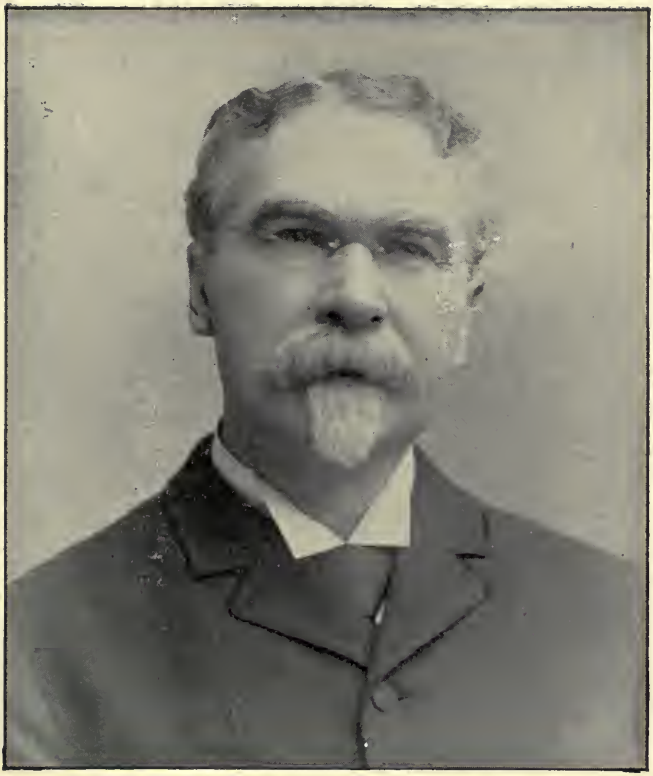
The time had now come for a substantial change in the Coinage Act of 1792. What was chiefly apparent to all in 1834 was the fact that the ratio between gold and silver, established by that Act, was no longer, if it had ever been, correct. It undervalued gold. But there was no general departure, so far as the debates show, from the bi-metallic idea. Statesmen still preferred to struggle with the intricate problem of finding a ratio between gold and silver which would prove to be the ratio of commerce.

The Director of the Mint, in his report to the Congress for the year 1833, said that the "new coined gold frequently remains in the mint uncalled for, though ready for delivery, until the day arrives for a packet to sail for Europe." And he concluded that the entire coinage of gold in the future, amounting to perhaps $2,000,000 annually, would be exported, unless there was a reform of the gold standard.

In his advocacy of a change in the ratio between gold and silver, Hon. Thomas H. Benton, in a speech delivered in the Senate in 1834, said: "The false valuation put upon gold has rendered the mint of the United States, so far as the gold coinage is concerned, a most ridiculous and absurd institution. It has coined, and that at large expense to the United States, 2,262,177 pieces of gold, valued at $11,852,820, and

HON. DAVID B. CULBERSON.

Born in Troup co., Ga., September 29, 1830; educated at Brownwood; studied law and moved to Texas, 1856; elected to State Legislature, 1859; served in Confederate army throughout war; elected to State Legislature, 1864; elected, as a Democrat, to 44th, 45th, 46th, 47th, 48th, 49th, 50th, 51st and 52d Congresses, to represent Fourth Texas District, composed of eleven counties; an earnest and popular member, admired by a large constituency; active on the floor as debater and parliamentarian; Chairman of the Judiciary Committee.



HON. JAMES McMILLAN.

Born at Hamilton, Ont., May 12, 1838; prepared for College, but entered business in Detroit, 1855; established Michigan Car Company, 1863; member and chairman of Republican State Central Committee, 1876, 1886, 1890; President of Detroit Park Commission and Board of Estimates; Republican Presidential Elector, 1884; elected to United States Senate, as Republican, for term beginning March 4, 1889; an industrious, practical member, whose opinions command respect; Chairman of Committee on District of Columbia and member of Committees on Agriculture and Forestry, Education and Labor, and Post Offices and Post Roads.

where are the pieces now? Not one of them to be seen! All sold and exported! To enable the friends of gold to go to work at the right place to effect the recovery of that precious metal which their fathers once possessed—which the subjects of European kings now possess—which the citizens of the young Republics of the south all possess—which even the free negroes of San Domingo possess—but which the yeomanry of this America have been deprived of for more than twenty years, and will be deprived of forever unless they discover the cause of the evil, and apply the remedy to the root."

Under these auspices the Coinage Act of June 28, 1834, was passed. By this Act the pure gold in the eagle was reduced from 247½ grains to 232 grains, and a corresponding reduction was made in the half eagles and quarter eagles. The alloy was changed from 22½ to 26, making the eagle contain 258 grains of standard gold instead of 270 grains. The Act of 1834 made no change in the silver coins. This change in the gold coinage made the ratio nearly 16 to 1, the exact ratio being 16.002 to 1. Why this ratio was established, or, for that matter, why any change at all was made, is difficult to understand, in view of the fact that at that date the commercial ratio between the two metals was 1 to 15.6, which, for convenience, Europe was calling 1 to 15½. The new currency ratio of 1 to 16 was as far removed from the commercial ratio of 1 to 15½ as was the old currency ratio of 1 to 15. Only now the boot was on the other foot. By the Act of 1792 gold was undervalued and silver overvalued. By the Act of 1834 the matter was reversed, and gold was overvalued and silver undervalued. Or considering the bi-metallic views of the framers of these acts, the result of the Act of 1792 was to overvalue silver as to gold; and the effect of the Act of 1834 was to overvalue gold

as to silver. In their practical workings these Acts quite threw their framers from their bi-metallic base, and inasmuch as in the Act of 1792 they attempted to exalt silver at the expense of gold, they became, according to the laws laid down in economics, silver monometallists. So, inasmuch as in the Act of 1834 they sought to exalt gold at the expense of silver, they became gold monometallists. There were not wanting those who sounded the note of warning that the Act of 1834 would but repeat that of 1792, in the respect that cheap gold would drive out the silver circulation just as cheap silver had driven out the gold circulation.

The Act of 1834 proved very unsatisfactory in its operation. Silver fluctuated, in a commercial sense, for years, but it did not fall in price to the ratio of 16 to 1 of gold. Consequently silver became worth more, in relation to gold, as bullion or plate than as coin, and it began to disappear, there being no inducement to coin it. After 1840, sight of a silver dollar was rare, and as a coin, it played no conspicuous part in our circulation, for very many years. Monometallists regard the effects of the Act of 1834 as another striking vindication of the truth of "Gresham's Law," that the cheaper money invariably drives the dearer from circulation.

ACT OF 1837.

Dissatisfaction with the Act of 1834 led to that of January 18, 1837, which was, in its form, a supplement to that of 1834, yet a complete revision of the laws of mintage, and was in fact known as "The Mint Act of 1837." This Act changed the standard of both gold and silver coins and the ratio between the metals. The standard for gold and silver coins was fixed at .900 fine, that is, 900 parts of pure metal to 100 parts of alloy. This increased the pure gold in the dollar from 23.20 to 23.22 grains, and fixed the ratio between

the two metals at 15.98 to 1. The silver dollar was changed from 416 grains of standard silver to 412½ grains, and the fractional coins were made to correspond in exact proportion. To make the alloy equal to one-tenth of the weight of the coin, it was necessary to add the small fraction of two-tenths of one grain of gold to the eagle. No change, however, was made in the quantity of pure silver contained in the dollar. That remained at 371¼ grains, and it continues at that figure. This Act also provided that "gold and silver bullion brought to the mint for coinage shall be received and coined by the proper officers for the benefit of the depositor." This provision for coinage was taken from the previous Acts, and continued the coinage of the two metals upon the same footing. The fact that there was no change in the quantity of silver in the dollar has given origin and currency to the phrase "Dollar of the Fathers," or the more alliterative and catchy term "Dollar of the Daddies."

What is regarded as a serious error in all the Coinage Acts up to and including that of 1837 was the fact that the minor coins had been made to contain the exact proportion of silver contained in the dollar. They, therefore, paid the penalty visited on the silver dollar. They shrank from circulation, or left the country, and this became particularly manifest after the inequality between the production of gold and silver in this country set in with the discovery of gold in California.

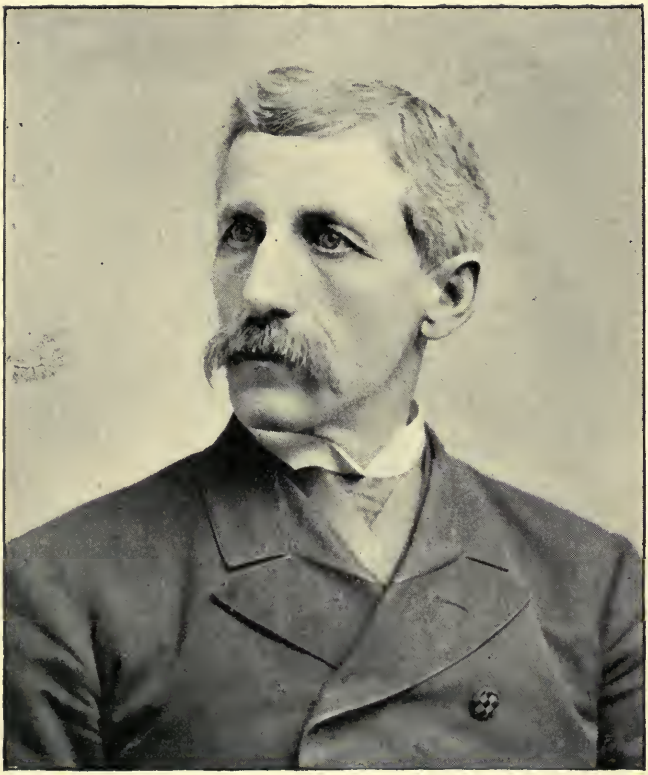
Prior to this discovery the world's production of gold and silver was nearly equal, the annual average of gold production between 1841 and 1851 being about $38,000,000, and that of silver about $34,000,000. But from 1849 to 1851 the world seems to have poured forth its treasures of gold with unparalleled liberality. California, Russia and Australia contributed a new and unprecedented output of gold.

In the five years, from 1851 to 1855, the world's production of gold leaped from $38,000,000 to $140,000,000 annually, while in those years the production of silver only increased from $34,000,000 to $40,000,000 annually. The equality between the two products prior to 1849 did not serve to materially affect their commercial ratio, but the inequality after that year greatly affected it, by giving a still higher value to silver. This fact, co-operating with the effect of the Coinage Act, enhanced the difficulty already spoken of with the circulation of silver coins of every denomination. "There is," said Mr. Dunham in Congress in 1853, "a constant stimulant to gather up every silver coin and send it to market as bullion, to be exchanged for gold, and the result is, the country is almost devoid of small change for the ordinary small transactions, and what we have is of a depreciated character."

The commercial ratio in Europe being about 15¼ to 1, silver coins were worth three per cent. more for export than our gold coins; that is, they were worth three per cent. more as bullion than as money. When it became apparent that the country was thus being depleted of its change, agitation set in for a remedy.

COINAGE ACT OF 1849.

The Coinage Act of March 3, 1849, was a provision for a fuller and larger mintage of gold, whose production bade fair to be greatly increased in this country owing to developments in California. It authorized the coinage of double eagles, and also of gold dollars. "Double eagles should each be of the value of twenty dollars, or units, and gold dollars should each be of the value of one dollar, or unit, these coins to be uniform in all respects to the standard for gold coins now established by law."



HON. JOHN R. MCPHERSON.

Born at Dorchester, N. H., October 9, 1834; academically educated; learned locomotive building at Manchester, N. H.; moved to New Jersey to engage in Railway business; largely interested in same; President of First National Bank, Long Branch; member of New Jersey Legislature (H. R.), 1878–80; delegate to Democratic National Convention, 1880; eletced as Democrat to United States Senate for term March 4, 1887; prominent in party and national affairs, and a leader in his State; Chairman of Select Committee on Potomac River Front, and member of Committee on Finance, Immigration and Naval Affairs.

It was not until the Act of 1853 that the coinage of three dollar gold pieces was authorized, "of the value of three dollars, or units, conformable in all respects to the standard gold coins now authorized by law." The word "dollar or unit" was used in all the Coinage Acts to describe the value of the gold coins prior to 1873.

COINAGE ACT OF 1853.

This Act is significant in our monetary history as being the first which recognized the difficulty of maintaining a perfect bi-metallic standard, and the first which contained a step toward the demonetization of silver. It was passed in February, 1853, and it reduced the weight of the half dollar from 206¼ grains of standard silver to 192 grains of the same. All the smaller coins were reduced in proportion. At the same time the full legal tender quality was removed from these subsidiary coins, and they became no longer a legal tender for sums exceeding five dollars. This provision has not since been removed. Again, it was provided that the bullion for the coinage of fractional silver should be purchased directly by the government, or by the Director of the Mint on account of the government, and that the gain arising from the coinage thereof should be credited to the Mint. This was a blow at the "free and unlimited coinage" of the subsidiary coins. By this reduction of the amount of silver in the fractional coins to the extent of about seven per cent., all inducement to melt them up or sell them as bullion was removed; for, although the silver dollar still remained at from three to three and a half per cent. above the gold dollar in value, the seven per cent. reduction in the commercial value of the fractional coins brought them three to three and a half per cent. below the value of gold; quite enough of depreciation to save them to the circulation.

It must be remarked of the period which led to, embraced and immediately followed the Coinage Act of 1853, that it was a period in which there was hardly any coinage of silver dollars, and practically no circulation of them. In 1850 only $47,500 silver dollars were coined; in 1851, $1,300; in 1852, $1,100. All attention was paid to the coinage of gold, the total coinage of which, in 1852, was $56,000,000, fully $2,000,000 of which was in gold dollars.

The framers of the Act of 1853 paid no attention to the fact that our silver production from 1851 to 1855 was about $400,000 per year. They saw only the large gold production of over $60,000,000 per year, and the spirit of the Act was to take advantage of the opportunity to establish, as far as possible, a single currency standard of gold. True, they did not interfere with the silver dollar. There was no need to. None were being coined. None were in circulation.

FROM 1853 TO 1873.

This period is marvellous in the history of metallic money and monetary systems at home and abroad. The world's production of gold from 1850 to 1870 was $2,725,000,000, or five times as much as in the preceding twenty years, and quite as much as during the entire period from the discovery of America to the discovery of gold in California.

The commercial world became alarmed at these figures, fearing a general derangement of values. That the commercial value of gold was decreasing was manifest from the increase in the price of standard commodities all the world over. Theories arose in all directions as to remedies. Some French economists thought it an excellent time to demonetize gold, and establish a single silver standard. Others thought the time opportune to establish the principle of bimetallism, provided the several commercial nations could be

brought to give common consent. France, Italy, Switzerland and Belgium formed what was called "The Latin Monetary Union" in 1863, based on bi-metallism. But in 1867 was held the "International Monetary Conference," at Paris, in which it was laid down that the adoption of a single gold standard was a principle necessary to universal coinage.

Following this, in 1871, came the defeat of France in the Franco-Russian war, and her payment of an immense subsidy in gold to Germany. Immediately, Germany, by a series of Coinage Acts from 1871 to 1873, demonetized her silver and adopted a single gold standard. She stopped coining silver and threw it on the market, selling $140,000,000 worth between 1873 and 1879. This alarmed the countries pledged to a bi-metallic system. The Latin Union closed the mints of France, Belgium, Italy and Switzerland, to the coinage of silver, thus confessing their inability to maintain the two metals on an equality and as money. For thirteen years France did not issue a single legal tender silver coin, and on January 1, 1891, the Latin Union went out of existence.

Meanwhile, our own country was passing through the throes of war and the demoralization attending an expanded and strained credit. In 1861 the government became a borrower in gold to the extent of $100,000,000. In February, 1862, it passed the "Legal Tender Act," under which $150,000,000 in "Greenbacks" were issued as legal tenders. At once gold jumped to a premium. The government's promises to pay were so much cheaper and inferior as a circulating medium, that gold hied away and disappeared as currency.

In July of the same year another issue of $150,000,000 of legal tenders was authorized. Gold rose to a still higher

premium. Even our fractional silver currency, depreciated as it was by the Act of 1853, went to a premium and disappeared with the gold. This made the fractional paper currency necessary. Subsequent uses of government credit in various forms and for war purposes, continued to advance the premium on gold till in July, 1884, it reached 185 per cent. Peace, the ability of the government to pay, as steps toward resumption showed, and final resumption in 1879, mark the decline of gold to par again, or rather the exaltation of the government promise to pay to the gold standard.

THE ACT OF 1873.

This Act has become more famous through subsequent discussions of it, than on account of its intrinsic merits or the debates which attended its passage. It is now "The Odious Demonetization Act of 1873" or "The Conspiracy Against Silver" of that year. The facts connected with its passage hardly support the charge that it was a "trick" played on the advocates of free silver coinage by their opponents. As to the intimation that "its contents were not fully known" or sufficiently known, that is matter personal to the majority which passed it and remote from its merits.

The approaches to no other Coinage Act seem to have been more deliberate and gradual. The original draft of the Act was presented to the Senate as early as April, 1870, by the then Secretary of the Treasury, Hon. Geo. S. Boutwell. It had been prepared with great deliberation, and under the supervision of Dr. Linderman, Director of the Mint. It proceeded on the theory that if the American silver dollar were made the equivalent of the five-franc piece of France—France being on a bi-metallic basis, and with a great volume of silver currency—said dollar might become interchangeable

HON. WILLIAM P. FRYE.

Born at Lewiston, Me., September 2, 1831; graduated at Bowdoin College, 1850; educated for the bar; elected to State Legislature, 1861, 1862, 1867; Mayor of Lewiston, 1866–67; Attorney-General, 1867–68–69; member of Republican National Executive Committee, 1872–76–80; Presidential Elector, 1864; Delegate to Republican National Conventions, 1872–76–80; elected member of 42d, 43d, 44th, 45th, 46th and 47th Congresses; elected to succeed James G. Blaine in United States Senate in 1880; re-elected Senator in 1883 and 1888; chairman of Committee on Commerce and on Pacific Railroads, and member of Committee on Foreign Relations; of wide repute as orator and statesman.

with European coins of like value. The bill, therefore, fixed the weight of the silver dollar at 384 grains standard silver, that being the weight of the five-franc piece.

But as this was really to reduce the ratio between silver and gold to about 14.8 to 1, and as the bill gave to the silver dollar a limited legal tender power, it was not regarded as one which would effect its object and make our silver dollar float all over the world. It, therefore, flitted back and forward between the two houses of Congress for three years, the subject of repeated debates and amendments, the theme of much newspaper discussion, till at length it was passed by the House, with the clause providing for a silver dollar of 384 grains in it. This provision was struck out by the Senate, and what was called the "Trade Dollar" clause was inserted in its stead. This clause provided for a trade dollar of 420 grains standard silver and 378 grains pure silver, and a limit on its legal tender quality to sums of five dollars. The object was to provide a market for our production of silver and to make a dollar which would substitute the old Spanish dollar in the Pacific trade with China and Japan. It was a dollar of commerce and not circulation.

The bill then went to a Committee of Conference between the two Houses, where its final form was agreed upon. It then passed both Houses and became a law February 12, 1873. It provided that the gold coins "shall be a one dollar piece, which, at the standard weight of 25.8 grains, shall be the unit of value," etc.

The gold coins of larger denominations were based upon the one dollar piece. The silver coins were declared to be a trade dollar, etc., and "the weight of the trade dollar shall be 420 grains troy . . . and said coins shall be a legal tender at their nominal value for any amount not exceeding

five dollars in any one payment." Thus the standard silver dollar was not only struck from the list of coins, but its substitute was limited in legal tender power and classified with the fractional coins. No change was made in the weight or quality of the gold coins. The important changes made, and which have given rise to so much contention since, were:

1. The gold dollar was made the unit value.
2. The trade was substituted for the standard silver dollar.
3. Silver was deprived of full legal tender power, and limited to payments in sums of five dollars.

No change was made in the minting privilege accorded the two metals, except with reference to fractional coins. Owners of silver were permitted to deposit their bullion at the Mint upon the same terms as owners of gold bullion, so far as trade dollars were concerned. The provision of the Act of 1853, to buy silver bullion on Government account for coining fractional silver, was continued in the Act of 1873, but any owner of silver bullion could "deposit the same at any mint, to be formed into bars or into trade dollars," at a charge not to exceed the actual average cost to the mint. In answering the complaint that the Act of 1873 struck down silver, Mr. Ehrich, of Colorado, says:—

"Silver has been struck down, but not by the bill of 1873, nor by any bill concocted by man. The hand which struck down silver is the hand which will strike us all down in time, the hand which nothing can withstand, the irresistible hand of Nature. Silver has been struck down by the natural forces, by the great law of supply and demand. The yearly average of gold production in the twenty-five years from 1851 to 1875 was $127,000,000. The yearly average product of silver for the same period was $51,000,000. The average annual product of gold for the fifteen years from

1876 to 1890 declined to $108,000,000, a falling off of 15 per cent. The average annual product of silver for the same period increased to $116,000,000, an increase of 127 per cent. There is the whole silver question, and in the face of these facts, it is now impossible for the United States, single handed, with free and unlimited coinage, to bring silver to a parity with gold on any such basis as 16 to 1; it is more impossible than for a thousand men to pick up our great 'Pike's Peak' and transport it bodily to Denver."

ACTS RELATING TO THE TRADE DOLLAR.

By the Act of July 22, 1876, it was provided that "the trade dollar shall not hereafter be a legal tender," and the Secretary of the Treasury was authorized to limit the coinage thereof "to such an amount as he may deem sufficient to meet the export demand for the same." By this Act the silver dollar was entirely eliminated from the list of United States coins. Subsequently an Act was passed authorizing the redemption of the outstanding trade dollars at par, and directing their recoinage into standard dollars. Before the passage of this Act, however, considerable loss was sustained by the people through the destruction of the trade dollar as lawful money. Trade dollars to the number of 35,965,924 were issued from the mints, a large proportion of which was sent to China and never returned for redemption.

EXTENT OF COINAGE UNDER ACTS TO 1878.

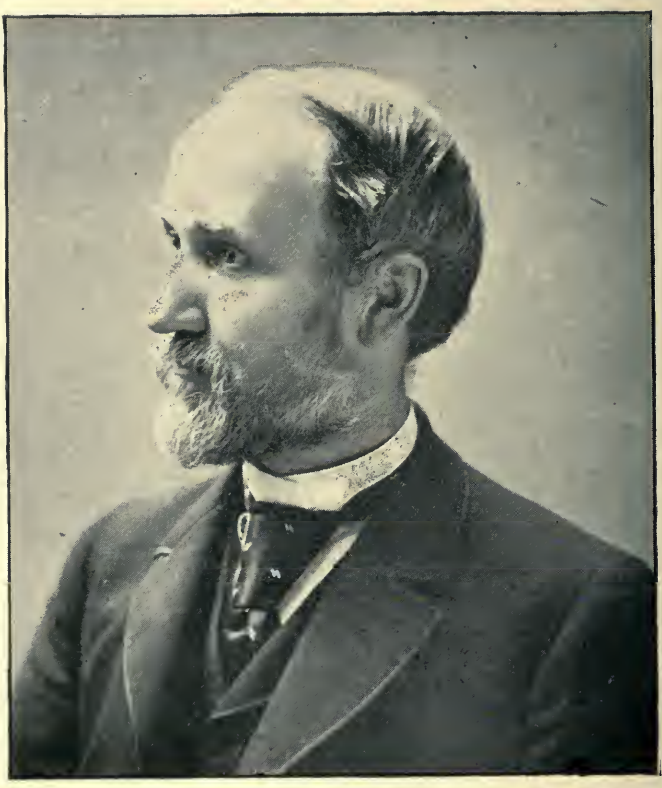
From the establishment of the mint in 1792, to 1806, the aggregate number of silver dollars coined was only 1,439,417, and from 1806 to 1835 there was no coinage whatever of this piece. In 1836 the number of dollar pieces coined was only 1,000. The two years following coinage of dollars was suspended, but was resumed in 1839, when 300 were issued,

and the coinage was continued until 1873, when the standard silver dollar was supplanted by the trade dollar. The largest annual coinage of standard silver dollars was made in the years 1871 and 1872, when it was $1,117,136 and $1,118,600 respectively, which is equal to nearly two-fifths of the aggregate of standard silver dollars coined from 1792 to 1873, which aggregate was 7,830,538. The number coined in January and February, 1873, was 296,000, which are included in the above aggregate. The "Demonetization Act" was passed February 12, 1873. It will be seen, therefore, that standard silver dollars were coined down to the passage of the Act which substituted the trade dollar.

COINAGE ACT OF 1878.

Remembering now that for seventeen years prior to 1879 —the date of resumption—neither gold nor silver coins were in circulation in the United States, and that by 1876 silver had fallen to $1.15 per ounce, we are prepared for the era of agitation which began with the introduction of free silver coinage bills into Congress. More than one of these was introduced into the House, but that particular one which was prepared and championed by Mr. Bland, of Missouri, passed the House in the fall of 1877. It became known as the "Bland Bill," and the coinage of silver that followed in its wake became known as the "Bland Dollars."

What was really the "Bland Bill," that is, the bill passed by the House and sent to the Senate, never became a law. The bill provided for the coinage of "silver dollars of the weight of 412½ grains Troy, of standard silver, as provided in the Act of January 18, 1837." . . . "Which coins, together with all silver dollars heretofore coined by the United States of equal weight and fineness, shall be a legal tender, at their nominal value, for all debts and dues, public



HON. WILLIAM H. H. MILLER.

Born in Augusta, N. Y., September 6, 1840; taught school and graduated from Hamilton College, 1861; taught at Maumee, Ohio, one year; entered Union army as Lieutenant in 84th Regiment, Ohio Volunteers; read law and began practice at Fort Wayne, Ind., 1866; moved to Indianapolis (1874) and formed law partnership with General Benj. Harrison; appointed Attorney General by President Harrison, March 5, 1889; a profound constitutional lawyer, an able and conscientious official; was sustained by Supreme Court in his heroic action in celebrated Field-Terry case; distinguished for ability and discretion in handling Behring Sea disputes; conducted the Anti-Lottery case successfully and secured favorable opinion of Supreme Court; secured verdict of highest court in case involving constitutionality of McKinley Act; administration noted for success in dealing with numerous intricate and far-reaching questions; name mentioned in connection with U. S. Supreme bench.

and private, except where otherwise provided by contract. And, any owner of silver bullion may deposit the same at any United States coinage mint or assay office, to be coined into such dollars for his benefit, upon the same terms and conditions as gold bullion is deposited for coinage under existing laws."

The above is the "Bland Bill" as to its vital points and as it passed the House and appeared in the Senate. It gave free coinage (that is, the same coinage as was given to gold) to any owner of silver bullion who presented it at the mint. It gave unlimited coinage of silver dollars for all silver bullion presented to be coined. It made coinage compulsory. At the ratio existing between silver and gold, it was practical mono-metallism, with silver as the standard and gold at a premium, for the cheaper metal, when coined, invariably takes the volume of circulation and expels the dearer.

The entire character of this bill was changed in the Senate by the Allison amendment and became known as the Bland-Allison Bill. It was then passed by both Houses and became the Bland-Allison Act. As passed, it involved the principle of bi-metallism, for it limited the coinage of the cheaper metal, silver, and undertook to maintain it at par with gold by providing for its redemption.

This Act of February 28th, 1878, restored the silver dollar of 412½ grains to the coinage with full legal tender power, but did not restore silver bullion to the minting privilege which attached to it prior to 1873, and which was in every respect equal to that bestowed upon gold. This Act re-established the "dollar of the fathers," made it legal tender for all debts, "except when otherwise expressly stipulated in the contract," and directed the Secretary of the Treasury to purchase silver bullion monthly "at the market price thereof, not less than two million dollars' worth per

month nor more than four million dollars' worth per month, and cause the same to be coined monthly, as fast as so purchased, into such dollars." The third section provided that holders of silver dollars "may deposit the same with the Treasurer or any Assistant Treasurer of the United States, in sums not less than ten dollars, and receive therefor certificates of not less than ten dollars each."

It also provided as follows:—

"That immediately after the passage of this Act the President shall invite the governments of the countries composing the Latin Union, so called, and of such other European nations as he may deem advisable, to join the United States in a conference to adopt a common ratio between gold and silver, for the purpose of establishing internationally the use of bimetallic money and securing fixity of relative value between those metals."

This bill represented the same order of thought that pervades the silver agitation of the year 1892. Those who favored the "Greenback" inflation scheme were its ardent supporters. Representatives from the Silver-producing States were strongly in its favor, in the belief that it would enhance the value of their product. While it made the coinage of silver dollars compulsory to the extent of $2,000,000 a month, it placed a limit at $4,000,000. It was thought that this much circulation in silver dollars could be kept at par with gold, but it was soon found that the silver dollars would not circulate. Out of the 12,136 tons of silver purchased by the Government under the Act at a cost of $308,199,262, and out of the 378,166,793 silver dollars coined therefrom under the Act, at an expense of $5,000,000, not more than one out of eight found its way into circulation. For all the benefit to the circulation derived from the Act, the Government might as well have

saved itself the $5,000,000 expense of coinage, and bought and stored the silver in bullion shape. The bullion was always worth more than the coined dollars, and could have been more safely and cheaply cared for in the Treasury vaults than its equivalent in coins. There was no expansion of the currency, as the ardent advocates of the bill fondly hoped. Nor was there an increase in the price of silver bullion, for it declined from $1.12 an ounce in 1879, to 93½ cents an ounce in 1889, or in other words it declined to a point where it stood to gold as 22 to 1 per ounce value, and the value of silver in a silver dollar was only 72 cents.

The silver certificate feature of the Act proved of little practical value, and in the main the Act negatived its own provisions and bred causes for its repeal.

COINAGE ACT OF 1890.

But the Bland-Allison Act of 1878 was not without its uses. It satisfied neither its advocates nor its opponents, and increased rather than decreased the silver agitation. It led directly to and perhaps hastened the passage of the Coinage Act of July 14, 1890.

The bill which became the basis of this Act was prepared on a plan which embraced the views of Secretary of the Treasury Windom. It was submitted to the House, and passed. Its provisions were that any owner of silver bullion, not foreign, could bring it to any mint and obtain for it legal tender treasury notes equal in value to the then market value of the silver, which notes were redeemable either in gold or silver bullion, at its then market value, at the option of the government, or in silver dollars at the holder's option.

This bill was amended in the Senate by inserting a clause providing for free and unlimited coinage. It then went to

a conference committee, where it took the form in which it was passed finally and became a law, July 14, 1890.

As passed, it directed the Secretary of the Treasury to purchase 4,500,000 ounces of silver bullion each month at the market price thereof, not exceeding $1 for every 371¼ grains of pure silver, and to issue in payment for such purchase Treasury Notes of the United States.

Those Treasury Notes are made redeemable in *coin*, gold or silver at the discretion of the Secretary of the Treasury, and have full legal tender value. Following this clause is one which reads "It being the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law."

The Act also provided for the actual coinage of 2,000,000 silver dollars a month up until July 1, 1891.

By comparing the two Acts of 1878 and 1890, a better view of the silver controversy may be had. The Act of 1878 made it compulsory on the Government to buy silver bullion to the value of $2,000,000 and not exceeding $4,000,000 monthly, and to coin the same into silver dollars. This was a drain on the Treasury of at least $24,000,000 a year. Holders of silver dollars could exchange them at the Treasury, in sums of ten dollars, for Silver Certificates, the coin remaining in the Treasury for the payment of the Certificate on demand. These Certificates were not given full legal tender value, except for payment of customs and all public dues. This approval of them by the Government confirmed them in popular estimation, and they were as freely accepted by the people as if they had been a full legal tender.

The Act of 1890 made compulsory on the Treasury the purchase of 4,500,000 ounces of silver per month, or 54,000,000

ounces a year. But instead of paying cash for it, payment was to be made in Certificates, called Treasury notes, especially issued, redeemable in gold or silver coin, and clothed with full legal tender power.

It will be seen that payment for the bullion, under the Act of 1878, was in cash; while payment for the bullion under the Act of 1890 was by Certificate, or Treasury note.

There was no compulsory coinage of the bullion under the Act of 1890, except at the rate of $2,000,000 a month up till July 1, 1891. Since that date no silver dollars have been coined, but the bullion purchased is held in the form of fine silver bars. Under the Act, $28,298,455 were coined, and up to April 1, 1891, $89,602,198 in Treasury notes, to pay for bullion deposited, had been issued, $77,605,000 of which were in circulation. At the same date the value of silver bars held by the Treasury was $65,720,000.

On November 1, 1891, the total of silver dollars coined and in existence in the United States, under all the Acts, was $409,475,368, of which $347,339,907 were in the Treasury, and only $62,135,461 outside of the Treasury, or in circulation.

Against this $323,668,401 silver certificates had been issued, $321,142,642 of which were outside of the Treasury and $2,525,759 inside. At the same date the stock of silver bullion in the Treasury was $33,094,234.

The 54,000,000 ounces of silver which the Government is required to buy yearly, and to issue Treasury notes therefor, was the exact output of the silver mines in the United States in 1890. A prime object of the law was, therefore, to furnish a sure market for the product of our mines, at the prevailing price of silver bullion when presented at the Treasury. The Act was a compromise Act, and both mine-owners and advocates of "free and unlimited coinage" ac-

cepted the compromise, as the best that could be done to secure a certain home market for their product, and at the same time increase the circulating medium of the country by just the number of Treasury notes required to purchase 54,000,000 ounces of silver.

Experience has shown that the Act really authorizes the purchase of more than the silver product of American mines, available for coinage purposes, since some three to five million ounces of said product are annually used up in the arts.

It was a general belief, at the time of the passage of the Act of 1890, that its effect would be to increase the market price of silver. Indeed this was confidently prophesied by mine-owners and free-silver-coinage advocates. In anticipation of such rise, silver speculators entered the market and drove silver bullion up to $1.05 an ounce in April, 1890; to $1.08 in May; to $1.15 in August; to $1.21 in September. But now the natural law of supply and demand began to operate against them. They had to contend with the world's market and the world's prices, and no longer with a home market and home prices. The inevitable consequence was that the price of silver broke. The country that could sustain a certain amount of silver coin, as a circulating medium, at par with gold, could not sustain the market value of silver bullion at a point above where the laws of supply and demand, as established by the world at large, chose to fix it.

In October, 1890, silver fell to $1.09 per ounce; in December to $1.06. The decline has been gradual ever since. In December, 1891, silver was worth 94½ cents an ounce, and the fine silver in a dollar was worth only 73 cents. On May 23, 1892, silver sold for 88¼ cents per ounce. Therefore, even with so excellent a customer as the

Government, and one ready to take the entire output of the silver mines of the country, the market price of the product declined. The law of the world proved mightier than the law of the United States.

THE BLAND FREE COINAGE BILL—PROPOSED ACT OF 1892.

Failure of silver producers to realize their expectations under the Act of 1890, a growing desire to relieve depressed industrial and trade conditions, especially in the West and South, and the fact that political conventions in a great many States had given the silver question a party turn, rendered the opening of the Fifty-second Congress an opportune time to seek new coinage legislation. In the Democratic Conventions the planks favored the "free and unlimited coinage of silver;" in the Republican Conventions they favored the "maintainance of silver on a parity with gold."

The Congress opened with an overwhelming Democratic majority, and Mr. Bland, of Missouri, became the recognized leader of his party on the silver question. He introduced into the House what became known as the "Bland Free Silver Coinage Bill," and advocated it with his well-known ability. It drew around it the advocates of "free and unlimited coinage" and became the subject of animated and prolonged debate. When ripe for passage Mr. Bland demanded the previous question, which failed by the very remarkable vote of 148 yeas to 148 nays; there being enough of Eastern Democrats voting with the Republicans to cause this disappointing result to the friends of the measure.

As this vote by no means disposed of the measure finally in the House, or if so, as the question must be a leading one in the National campaign of 1892, it is well to understand the provisions of the bill.

It provides that the unit of value shall be the standard silver dollar as now coined, of 412½ grains standard silver, or the gold dollar of 25.8 grains standard gold.

That the standard gold and silver coins shall be full legal tender.

That any holder of standard gold or silver bullion shall be entitled to have the same minted into coins free of charge, or may deposit said bullion at the mints and receive coin notes therefor, equal in value to the coinage value of the bullion deposited, the bullion thereupon to become the property of the government.

That the coin notes shall not be less than one nor over one thousand dollars in value and shall be a legal tender.

That issue of the Treasury notes in pay for bullion, provided for in the Act of 1890, shall be discontinued, and all such as are outstanding shall be called in and destroyed and coin notes shall be substituted for them.

That the issue of coin notes shall never be greater than the coinage value of the bullion in the Treasury.

That said coin notes shall be redeemed in coin at the Treasury, and the bullion deposited shall be coined as fast as said coins are needed for such purposes of redemption.

That any holder of gold or silver coins may deposit the same, in sums of ten dollars, and demand coin notes therefor.

That the Act of 1890 is repealed; and that the silver dollar of 412½ grains may change to one of 400 grains as soon as France reopens her mints to free and unrestricted coinage of silver at the ratio of 15½ of silver to 1 of gold.

Under the Act of 1890 the government must purchase 54,000,000 ounces of silver per annum, for which it pays the market price.

Under the proposed Act of 1892 the owner of gold or

HON. RICHARD P. BLAND.

Born near Hartford, Ky., August 19, 1835; academically educated; moved to Missouri, 1855; thence to California and Virginia city, Nev.; practiced law and engaged in mining; County Treasurer of Carson co.; back to Missouri, 1865; practiced law at Rolla and Lebanon; elected, as a Democrat, to represent Eleventh Missouri District in 43d, 44th, 45th, 46th, 47th, 48th, 49th, 50th, 51st and 52d Congresses; rose to distinction as author of Bland Silver Bill, which became a law, with the Allison amendment, in 1878; Father of the Free Silver Coinage Bill in 52d Congress; Chairman of Committee on Coinage, Weights and Measures; an able advocate of Tariff Reform and Free Coinage of Silver.

silver bullion may deposit his bullion at the mint, demand its mintage free, or demand coin notes for it at the mint value of the bullion.

In the former case the owner of bullion got pay for bullion at its price on the day he deposited it. In the latter case he can get pay at the mint value of the bullion, that is, for every ounce of silver bullion deposited that has cost him 95 cents, he can get $1.29 in coin. The opponents of free coinage put it this way:—The mine owners turned in their product of 54,000,000 ounces last year at a value of $53,796,833, for which they received Treasury notes to that amount. Under the proposed Bland Act they could demand the mint value for their 54,000,000 ounces. The mint value would be $71,000,000. Therefore, they receive nearly 30 per cent. in excess of the market value of their silver. But the advocates of free coinage say that the discrimination of existing laws against silver makes the disparity between it and gold, and that the removal of such discrimination would make the bullion value of silver and the price of it with the government stamp on it the same. They say that whenever the mints are open to the free coinage of silver, and whenever the owner of such silver can have it exchanged at the rate of 100 cents for 371¼ grains, silver will be worth as much without as with the government stamp. Their opponents say they quite lose sight of the fact that the moment these 371¼ grains of silver which are worth in the markets of the world, say 80 cents, becomes worth 100 cents by sheer virtue of the stamp upon it, all the world will pour its surplus silver into our mints and completely swamp our metal currency. Gold would flee and there would be no means of sustaining silver money at par. They also say that as the country is at present situated with barely enough of gold to sustain our present silver cir-

culation, the moment free coinage of silver were adopted it would be accepted by the Treasury and by the banks, as notice to suspend gold payments. Unless such suspension were resorted to it would be no time before the gold reserve would be exhausted and catastrophe ensue.

The arguments in favor of free and unrestricted coinage of silver gain great plausibility when they are turned to the account of the debtor classes—to farmers with mortgages on their farms and to others similarly encumbered. As seen just above, they could take advantage of the 30 per cent. between the market and mint value of the dollar and thus pay their debts at less than they contracted to pay. The opponents of free silver coinage say it would be better for the government to extend this difference to these debtors as a charity, rather than run the risk of a dishonored currency and of the panics, disturbances and immense losses which would surely follow.

Again the free silver coinage men say they are certain that their doctrine in practice will make the silver dollar fully equal to the gold dollar. If this be so, say their opponents, then a silver dollar will be as hard to get as the gold dollar and the debtor will be no better off than at present. But granting every advantage claimed by the free coinage men for the debtor classes, how about the creditor classes? They are by far the most numerous class. Every laborer is a creditor when his day's work is done, every pensioner of the government, every saving institution, etc. If the cheaper dollar scales the mortgage for the debtor and enables him to pay it easier—a matter the mortgagee might stand—would not the cheaper dollar scale the debt due at night to the miner, the servant, the artisan, the day laborer?

No, says the free coinage man, for the dollar would still be a dollar. But says his opponent, it being a dollar whose

intrinsic value is only 80 or 90 cents, and being plenty, prices must rise, and the miner's $3.50 per day can only be exchanged for commodities which formerly cost him a dollar less.

But as most of the infallible laws which underlie the questions of currency have already been stated in this article, we leave the theories which now constitute so large a part of the discussion of the silver question to the reader, to indulge as he chooses. It should not be forgotten that other countries have done with their silver just what is proposed to be done here, and that they—notably the Latin Union—had to give up in despair their efforts to sustain silver coinage at par with gold, in quantities beyond the ordinary needs of trade. Our reserve of gold will always float a fair quantity of silver, but to give to silver free and unlimited coinage is to place gold at its mercy, if the experience of other nations is worth anything.

This might not be so if other countries were on a silver basis, or even if silver constituted a larger per cent. of their currency. It is with a view to an agreement upon the place which silver shall, or ought to, hold, in an international sense, that the United States has requested a conference of the nations of Europe, which conference will be one of the events of 1892 and its results will go far toward simplifying the silver question in this country.

SILVER STATEMENT.

From United States Mint Report for 1891.

Silver received at Mints, 1891	$71,985,985
Silver dollars coined, 1891	36,232,802
Silver dollars distributed from Mints, 1891	13,208,794
Silver dollars in Mints, July 1, 1891	101,290,755
Total coinage of silver dollars since 1886	409,475,368

Silver dollars held in Treasury for redemption of silver certificates	321,142,642
Outstanding silver certificates	294,945,377
Excess of held coin over certificates	26,197,265
Silver dollars in circulation	62,135,461

HOW TO FIGURE SILVER DOLLAR VALUES.

Silver bullion could be bought May 23, 1892, for 88 cents per ounce of 480 grains.

Divide 480 into 88 and you have .01833 cents, or a little over 1.8 cents, as the price of a grain of silver.

371 of these grains make a silver dollar—really 371¼.

Therefore, 371 multiplied by .01833 = 68 cents, the cost of the silver in a silver dollar.

Now if a man gets a dollar, or 100 cents, for what cost him 68 cents, how much would he get for that ounce of silver bullion which he deposited and which cost him 88 cents?

It would stand as 68 cents is to 100 cents, so is 88 cents to the answer.

Answer:—$1.294 per ounce for his silver bullion.

HON. MATTHEW S. QUAY.

Born at Dillsburg, York co., Pa., September 30, 1833; graduated at Jefferson College, 1850; admitted to bar, 1854; elected Prothonotary of Beaver co., 1856 and 1859; served in Union army as Colonel of 134th Pennsylvania Volunteers, and as Military State Agent at Washington, Assistant Commissary-General and Chief of Transportation; Military Secretary to Governor of Pennsylvania, 1861–65; member of Legislature, 1865–67; Secretary of Commonwealth, 1872–78; Chairman of Republican State Committee, 1878–79; Secretary of Commonwealth, 1879-82; elected State Treasurer, 1885; elected United States Senator, as Republican, 1886; Chairman of Republican National Committee during campaign of 1888; Chairman of Committee on Library and member of Committees on Commerce and Public Buildings and Grounds.

RECIPROCITY IN AMERICA. — AN HISTORIC REVIEW.

GENERAL VIEW.

THE idea, or rather the doctrine, of reciprocal trade is by no means new. As a principle it has been long recognized in this country. In England it is what is called "Fair Trade," and is upheld by a school of economists and statesmen who oppose "Free Trade," or seek to escape from the effects of "Free Trade," by a system which shall not be one-sided only.

The doctrine, pure and simple, is this, if a nation does not impose duties on our goods entering its ports, we will not impose duties on its goods entering our ports; and if a nation levies duties on our goods, we will levy duty on its goods.

This, say fair-traders, is but the doctrine of *lex talionis*, tit-for-tat, as applied to trade. This, say free-traders, is the folly of imposing a double loss on ourselves. Thus, foreigners tax our products when they enter their ports. This imposes a loss on us. Then, in turn, we tax their products when entering our ports. This imposes a second loss on us. They say, that for an injury done us by others, we fine ourselves. When others impoverish us, we respond by a system of impoverishment.

Protectionists eschew theories and refinements, and say that each country is a law unto itself respecting trade. All prosperous countries have been built on this principle. All recognize it in one way or another, whatever their outward professions, or present economic leanings. It is but the

duty of caring for one's self. It is but the right to live, and to enjoy advantages, if such exist.

COMMERCIAL TREATIES.

Reciprocity has for ages been established and determined between nations by means of commercial treaties. The usual process has been for two nations, about to treat, to consult their respective tariff lists, and to grant reductions of duties on the class of goods which they desire most to receive from each other. Equally, each country seeks to secure the lowest rate of duty on the class of goods whose manufacture constitutes its own industry, and whose sale abroad it wishes to cultivate. Thus, England makes the best bargain she can for the foreign sale of her hardware and cottons, France for her silks and wines, Belgium for her iron products, the United States for her flour and meat. The free-trade countries of the world are the most prolific of reciprocity treaties, yet there never was a reciprocity treaty that did not recognize the doctrine of protection, else it would have been of no use. The essence of all commercial treaties is home-trade advantage, home-industry advantage, home-development advantage, whether directly by encouragement to labor and capital on the spot, or indirectly by reason of enlarged markets abroad.

Says Leveleye, one of the ablest of French Political Economists, and a pronounced free-trader:—"Commercial treaties are useful in assuring to industry what is so essential to it, the fixity of foreign customs dues throughout the period embraced by the treaty. Nowadays commercial treaties are of more importance than political treaties, for it is on commercial treaties that the progress of industry in each country in a great measure depends, and also what is no less im-

portant, the development of commercial relations and community of interest between different lands."

"MOST FAVORED NATION" CLAUSE.

Very often the parties to commercial treaties stipulate that each of them shall enjoy all the advantages that may come to, or be secured by, the other through a reduction of duties between it and still other countries. This has come to be known in diplomacy as "*the most favored nation clause*," a term which grows more familiar each year. It stands thus:—England agrees to abolish, or reduce to a minimum, her duties on French silks, as a concession to France for so reducing, or abolishing, her duties on English cottons. But at the same time England says to France, and it is agreed, that if you succeed in getting similar terms with any other country by reason of a desire for your silks, we expect our cottons to follow in the wake of your silks. The favors your silks secure for you must extend to our cottons. So France says to England, and it is agreed, that if you succeed in getting similar terms with any other country by reason of a desire for your cottons, we expect our silks to follow in the wake of your cottons. The favors your cottons secure for you must extend to our silks. Thus "*the most favored nation clause*" may suffice to carry the favorite product of a highly industrial and ingenious nation, with commercial facilities, into every mart of the world.

This extension of, and refinement on, the principle of reciprocity as established by commercial treaties, is only an enlargement of the spirit of advantage between nations. Clearly, nothing is given without something, and the like, is expected. As nations do not trade for pure love of the thing, something more is expected than is given, if not directly, at least indirectly. But this is protection, says

the protectionist, for each nation seeks to advantage itself, and it matters not whether it proceeds on the principle of denial or concession. Not so, says the free-trader; it is free-trade, for the moment you concede the principle of concession you repudiate that of denial, or, in other words, discrimination by duties. And so economists bandy theories, and prove to the world that their science is weightier in words than worth.

But while commercial treaties have been the usual, almost the sole, means of establishing reciprocity, or reciprocal trade, between commercial nations, they have been slow and cumbrous of formation and operation, and always costly of negotiation. They have proved of doubtful construction and uncertain worth, except where the inducement to make them was very great, and the power to enforce them reposed in the contracting parties. New and weak countries were placed at a disadvantage by them, even if the inducement to make them existed, and, indeed, no such inducement could exist till a country was sufficiently advanced to have something substantial to offer for what it desired to receive.

POSITION OF THE UNITED STATES.

As long as the United States was going through its early experiments with free-trade and protection, there was hardly a thought of reciprocity or reciprocal trade as we have come to understand it. In all the early arguments respecting the advantages of protection by means of duties on foreign imports, the central thought was that protection was necessary in order to foster infant industries. There was hardly any diversity of opinion about this. Statesmen of all parties and economic schools joined in the thought and sought by speech and vote to establish the principle. Politics did not seriously tinge a tariff debate as long as the idea was

HON. CHARLES F. CRISP.

Born in Sheffield, England, January 29, 1845. of American parents; educated in common schools of Savannah and Macon, Ga.; entered Confederate army, May, 1861; a prisoner of war, 1864–65; studied law in Americus, Ga., and admitted to bar, 1866; practiced in Ellaville; appointed Solicitor-general in 1872 and again in 1873; moved to Americus in 1873; appointed Judge of Superior Court, 1876, and elected to same, 1878; re-elected Judge, 1880; elected to 48th, 49th, 50th, 51st and 52d Congresses; elected Speaker of House in 52d Congress, after a long and exciting canvass, his leading opponent being Roger Q. Mills, of Texas.

dominant that the infancy of industry required the protective hand of the Government. In this the most pronounced free-traders had the sanction and support of the English economic writers, who, almost without exception, admitted the doctrine that in order to establish and foster infant industries, protection was right in law and morals. England had universally and persistently applied the principle, till she had grown rich, powerful and independent by means of it.

It was not until 1824, when the old arguments respecting the uses of protection began to be tinged by partyism, that attention began to be turned seriously to the advantages of reciprocal trade. The country was then sufficiently advanced to make it a question in the minds of statesmen. Free-traders, the very ones who had all along favored protection as a means of fostering infant industries, now turned their arguments against protection in general. The peculiar condition of the country, divided into a strictly planting class, with unpaid labor at its command, and a manufacturing, commercial and more diversified industrial class, with only paid labor at its command, contributed to the change of sentiment and the tone of argument. The planting class, with its unpaid labor, saw a menace in the growth of manufactures and commerce, with their paid labor. The system of free, paid labor was a harsh contrast with, and a standing threat upon, the system of slave, unpaid labor. Established manufactories and profitable commerce were proving a source of wealth, population, importance and comfort, which might in the end overshadow the planting class and its geographic section, even if it did not endanger the slave institution.

Therefore the free-traders injected into their opposition to protection the argument that protection had already done

its legitimate work in grounding and fostering the young industries of the country, and was no longer necessary. They said it was a stretch of power any how on the part of the government, and was no longer justified. They said that inasmuch as it could be of no earthly use to the planting sections, it was unfair for the nation to legislate in the interest of the manufacturing and commercial sections. They attacked the constitutionality of tariff legislation. As time went on, and the issue of slavery became more a matter of question, the tariff debates brought out in stronger lines the above arguments. The doctrine of free-trade took passionate and almost sectional turn. It came nearer than ever to cleaving and dividing politics. Calhoun did not hesitate to declare that the further fostering of industries by means of protection would destroy the planting class and the institution of slavery; that the object of free-trade, as he advocated it, was to strike a blow at paid labor and the prosperity of the manufacturing classes; that the tariff system was so unfair, so unconstitutional, such an infliction on the States of his section, as to warrant nullification of tariff laws, and if this did not provide an escape from their operation, then secession would be justified.

THE NEW PROTECTIVE IDEA.

These arguments were so ably maintained, and the situation became so serious, as to force the protectionists on to new ground. It is no disparagement to their numbers or ability to say that they could no longer maintain themselves on the plea of protection to infant industries—the common ground of all statesmen in the beginning. They were compelled, or perhaps the time had arrived for it, to broaden their ground, and to make it more secure by a new declaration of protective principles by, one may say, a new depar-

ture in political economy. This became the dawn of those doctrines which, elaborated by time and modified by circumstances, comprise American protection as enunciated by modern statesmen, and as they seek to embody them in protective legislation.

The gist of these doctrines is, that as labor constitutes a very large per cent. of the cost of an article, the true measure of protection is a duty which will cover that element of cost, and thus save our labor from competition with the low-priced labor of foreign countries. Along with this goes the doctrine that the free-list may safely embrace only those articles which are impossible of production with us by reason of our soil, climate and natural advantages.

POLICY OF SUBSIDY.

Abreast of this doctrine is another, daily growing more momentous, and one which has been enforced by the fact that our genius and facilities tend to overcrowding in our own markets; it is, that the very best protection that can be afforded in such case is the establishment of steamship lines to carry our surplus products to those who need them most, or to those of whom we buy most and to whom we have to pay most. This has been a favorite and universal means of protection with all commercial countries, and it has been employed at great outlay on the part of those countries in the way of pay, or subsidy, to said lines, first in order to start them, and second in order to maintain them. But this means of protection has not yet been reached in this country. Subsidy is a word our people cannot yet abide. No theory of protection that embodies the word directly has ever yet been framed in this country that could withstand the assaults of its opponents. The reason is that it appeals too directly to the capitalistic or monopolistic spirit and

class. On the part of the government it is too direct a kind of paternalism. As to the recipients, it is too special a gift. It is no answer to all this, as yet, to say that as no other commercial country ever succeeded in protecting itself through the establishment of steamship lines, except by starting and fostering them by subsidies, so this country has not done, and can never be expected to do, the same without the employment of similar agencies. Nor is it, as yet, a sufficient answer to say that the word subsidy in this connection can only be rendered offensive when narrowed to its apparent recipients, who really ought not to be considered at all, or, if considered, ought to find their true infinitesimal place in comparison with the tens of thousands of manufactories, the hundreds of thousands of laborers and farmers, and the millions of capital, which an exit for our over products would keep employed.

POLICY OF RECIPROCITY.

Still further, abreast of this doctrine is the policy of reciprocity; or, as we had better say, the principle of practical, or applied, reciprocity, rendered conspicuous, as formulated in the Tariff Act of 1890, and adopted as a measure of the Harrison Administration. This policy presumes that we ought to have better outlet for our manufactures. It presumes that direct trade with those from whom we buy most and to whom we sell least, would be a most desirable and advantageous trade to establish, as serving to balance accounts without draining us of gold cash. It presumes that, as to certain countries at least, notably those nearest to us, and especially those whose products we take largely and which we cannot duplicate at home, we are in a position to offer what they require, of as good quality and on as fair terms, as they can secure elsewhere.

HON. WILLIAM ALFRED PEFFER.

Born in Cumberland co., Pa., September 10, 1831; educated in common schools; engaged in teaching and farming; moved to Indiana, 1853, and engaged in farming; moved to Missouri, 1859, and to Illinois, 1861; enlisted in Union army and served in Department of Nashville; studied law and began practice in Clarksville, Tenn., 1865; moved to Kansas, 1870, to practice law and edit; elected to State Senate, 1874; Republican elector in 1880; editor of *Kansas Farmer*, 1881; elected to United States Senate, as a People's Party candidate, for term beginning March 4, 1891; an exponent of the ideas advocated by the Farmer's Alliance and other new parties.

HON. RICHARD F. PETTIGREW.

Born at Ludlow, Vermont, July, 1848; moved to Wisconsin, 1854; studied at Beloit College, 1865–66; member of law class of Wisconsin University, 1870; moved to Dakota, 1869; engaged in surveying and real estate at Sioux Falls; practiced law since 1872; elected to Dakota Legislature, 1877 and 1879; elected Territorial delegate to 47th Congress; re-elected to Legislature, 1884–85; member of South Dakota Constitutional Convention, 1883; elected U. S. Senator, as a Republican, from South Dakota, October 16, 1889; chairman of Quadro-Centennial Committee, and member of Committees on Improvement of Mississippi River, Indian Affairs, Public Lands and Railroads.

It presumes that inasmuch as we are sufficiently advanced and sufficiently well off to remit entirely duties on their products,—most of which are necessaries of life, and hitherto subjected to duty for sheer purposes of revenue,—and actually do remit such duties, that they ought to reciprocate by either abolishing or lowering their duties on articles we send to them. Not to do so would be unreciprocal. It would be for us to enlarge our inducements for their trade, by removing duties upon it, and for them to reject these inducements by refusing to modify or abolish duties on our trade.

COUNTRIES MOST INTERESTED.

It is clear to every one that the countries most directly affected by what may now be called the American policy of reciprocity, are those countries to the south of us, which comprise Mexico, Central America and South America. To these may be added other countries whose, or any part of whose, products are as theirs are. This being so, even the casual student of history will be struck by a comparison of two American continental epochs or eras, the one *political*, the other *commercial*.

Let us take the political one and consider it. It began in 1787, the date on which our Republican experiment was launched, the date of our Federal Constitution. Add thirty years to it, so as to make it embrace a period up to the date of what may be called general and successful revolt against Spanish supremacy in South America, and the establishment of the South American Republics. Fix this date at say about the year 1824. These thirty years, or thereabouts, saw the United States engaged in finding a permanent place for her political institutions. She was manfully meeting the trials to which young countries are subjected, and especially

those countries that have been compelled to conquer their independence by means of war, and have been bold enough to dare a political experiment at odds with the systems, traditions and instincts of the mother countries. She was heroically and successfully passing through the stages—many of them severe, even to the point of a second war—which led up to full independence, to universal recognition of her right to exist as a government and nation, and to that conspicuous place in the firmament of Western Republics, which made her a cynosure in the eyes of all.

At the beginning of this period what did she find? The entire continent to the south of her was Spanish. Spanish political domination was complete as it could be, all things considered. Then came the gradual breaking away from foreign and monarchical moorings, under the lead of brave generals, like Bolivar, under the influence of enlarged ideas of freedom, under the inspiration furnished by the success of the northern experiment.

So busy had the United States been with her own experiment, that she had not had time to more than note what was going on to the south of her. Her own expanse was so ample, her resources so sufficient, her thought so distinctive, as that political confederacy on the continent had not occurred to her, or at least had taken no definite shape. Neither had political co-operation, or, in other words, political reciprocity, taken even vague shape. Sympathy existed for every effort looking to the breaking of the Spanish yoke. Indirect encouragement was offered to the erection of every republican temple founded on the ashes of European monarchy. But that was all, until the time should come when, her own political destiny being assured, and a new order of statesmen having arisen, the Republic of the North could afford to recognize in a more direct manner those of the South.

POLITICAL INTEREST OF THE UNITED STATES IN SOUTH AMERICAN REPUBLICS.

It was in 1808 that the interference of Napoleon with the affairs of Spain enabled the South American republics to rejoice in the assurance of their own autonomy. But a long struggle was necessary in order to establish the independence they hoped for. For twenty years they looked vainly for succor or approval from European monarchies. They had been all along looking to the Republic of the North, and copying her splendid example. They now began to look for substantial recognition, and they found in Henry Clay their earliest and ablest champion. In 1818 Mr. Clay made a passionate appeal in the House of Representatives for their recognition, and in the same year the condition of the South American provinces became a subject of consideration at a cabinet meeting, James Monroe being President. Four years afterwards, the recognition they sought from the United States came, and it was soon followed by recognition on the part of Great Britain. In the next year, 1823, President Monroe, in his message to Congress, and in discussing the relation of foreign powers toward those on the American Continent, said:

"In wars of European powers, in matters relating to themselves, we have never taken any part, nor does it comport with our policy to do so. It is only when our rights are invaded or seriously menaced that we resent injuries or make preparation for our defence. With the movements in this hemisphere we are of necessity more immediately connected, and by causes which must be obvious to all enlightened and impartial observers. The political system of the allied powers (of Europe) is essentially different in this respect from that of America. This difference proceeds from that which exists in their respective governments.

And to the defence of our own which has been achieved by the loss of so much blood and treasure, and matured by the wisdom of our most enlightened citizens, and under which we have enjoyed unexampled felicity, this whole nation is devoted. We owe it, therefore, to candor, and to the amicable relations subsisting between the United States and those powers, *to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety.* With the existing colonies or dependencies of any European power we have not interfered, and shall not interfere. But with the governments who have declared their independence and maintained it, and whose independence we have, on great consideration and on just principles, acknowledged, *we could not view any interposition, for the purpose of oppressing them, or controlling in any other manner their destiny, by any European power, in any other light than as the manifestation of an unfriendly disposition toward the United States.*"

This was the "Monroe Doctrine;" this the note of warning, to monarchical Europe to keep hands off the political destiny of a Continent. It was of this doctrine that Daniel Webster, in a speech in the House, April, 1826, upon the subject of an appropriation to send a mission from the United States to the South American Congress at Panama, said:

"I look on the message of December, 1823, as forming a bright page in our history. I will neither help to erase it or tear it out, nor shall it by any act of mine be blurred or blotted. It did honor to the sagacity of the government, and I will not diminish that honor. It elevated the hopes and gratified the patriotism of the people. Over those hopes I will not bring a mildew, nor will I put that gratified patriotism to shame."

HON. WILLIAM B. ALLISON.

Born at Perry, Ohio, March 2, 1829; educated at Western Reserve College; admitted to bar in Ohio; moved to Iowa, 1857; served on Governor's staff during war; elected as Republican to 38th, 39th, 40th and 41st Congresses; elected to United States Senate, 1872; re-elected, 1878, 1884 and 1890; one of the oldest, ablest and most respected Senators; Chairman of Committee on Appropriations; Member of Committees on Engrossed Bills, Finance and Canadian Relations.

CONGRESS OF REPUBLICS.

In 1821 the Republic of Colombia suggested the idea of a closer connection between the Spanish colonies in Central and South America. In July, 1822, and before their independence had been recognized by the United States, Colombia and Chili negotiated a treaty looking to a Congress of the new Republics, resembling the one already constructed in Europe (The Holy Alliance, which was an attempt to fetter all Europe with absolute monarchy), and having for its object "The construction of a continental system for America."

The idea ripened slowly, though it was sedulously cherished by Bolivar and other leaders, Bolivar being then at the head of the Republic of Peru. It was not until December 7, 1824, that he issued his invitation to the Republics south of us, to meet in conference at Panama. Most of them accepted, and the "General Assembly of the American Republics" met at Panama, June 22, 1826.

What was singular about this Congress or General Assembly was that it was no part of Bolivar's design to invite the United States to participate. The Republics of South America had abolished African slavery in 1813. Doubtless Bolivar felt that the interest which the United States had at that time in preserving and extending slavery would tend to embarrass her acceptance of an invitation, or make her an unwelcome, if not dangerous, participant. The invitation to the United States came from Colombia and Mexico, after an inquiry through Mr. Clay as to whether it would be acceptable to President Adams. Mr. Adams was so far satisfied as that he appointed two representatives to the Congress or Conference, subject to the "advice and consent of the Senate."

In his message to the Senate, Mr. Adams gave among

other reasons for his action the following, which is valuable in this connection as showing the dawn of the idea that mutual commercial intercourse with the South American States might well become a subject of consideration in such a conference as that proposed. He said:

"But the South American nations, in the infancy of their independence, often find themselves in positions with reference to other countries, with principles applicable to which, derivable from the state of independence itself, they have not been familiarized by experience. The result of this has been that sometimes in their intercourse with the United States they have manifested dispositions to reserve a right of granting special favors and privileges to the Spanish nation as the price of their recognition; at others, they have *actually established duties and impositions operating unfavorably to the United States, to the advantage of European powers;* and sometimes they have appeared to consider that they might interchange among themselves mutual concessions of exclusive favor, to which neither European powers nor the United States should be admitted. In most of these cases their regulations unfavorable to us have yielded to friendly expostulation and remonstrance; but it is believed to be of infinite moment *that the principles of a liberal commercial intercourse* should *be exhibited to them* and urged with interested and friendly persuasion upon them, when all are assembled for the avowed purpose of consulting together upon the establishment of such principles as may have an important bearing upon their future welfare."

The debate in the Senate upon the proposed mission was exceedingly acrimonious. Serious charges were brought against President Adams, and the policy and purposes of his administration were denounced as dangerous. It was

declared that the mission would lead to international complications. The slave-holding members affirmed that in reference to the rest of America, as well as to Europe, slavery must be and remain the prime motive of the foreign policy of the United States, and they said that they saw in the conference peril to their "peculiar institutions," for the history of these Southern Republics as to slavery furnished an example "scarcely less fatal than the independence of Hayti to the repose of the slave States of the Union." They had not only copied from the revolutionary records of the United States the words "freedom," "equality" and "universal emancipation," but had actually broken the chains of all slaves.

THE COMMERCIAL THOUGHT UPPERMOST.

The defenders of the proposed mission and of the President's action made many elaborate arguments for their side, all of which embraced in some form the idea of more extended and intimate commercial intercourse, upon the basis of mutual or reciprocal trade. When Mr. Adams was asked by the House for further information respecting his view and his action he responded in a lengthy message, in which he said: —

"The first and paramount principle upon which it was deemed wise and just to lay the corner-stone of all our future relations with them was disinterestedness; the next was cordial good will to them; *the third was a claim of fair and equal reciprocity.*"

Then in further allusion to the commercial idea he said: —

"It will be within the recollection of the House that immediately after our War of Independence a measure closely analogous to this Congress of Panama was adopted by the Congress of our Confederation and for purposes of precisely

the same character. Three commissioners with plenipotentiary powers were appointed to negotiate treaties of amity, navigation and commerce with all the principal powers of Europe. They met and resided at Paris for one year, for that purpose, and the only result of their negotiations was our first treaty between the United States and Prussia, memorable in the diplomatic annals of the world and precious as a monument of principles in relation to commerce and maritime warfare, with which our country entered upon her career as a member of the great family of independent nations."

In the Senate, the Committee on Foreign Affairs reported against the expediency of sending ministers to the Panama Congress, but afterwards, and very grudgingly, approved the President's selection. The House, after long delay, agreed to appropriate the necessary funds. The ministers were sent, but delay had done its designed work. They were too late for the Conference, which had adjourned previous to their arrival. Mr. Clay, then Secretary of State, was much mortified at the failure, and the President, in 1829, in alluding to the failure said to the Senate: —"While there is no probability of the renewal of the negotiations, the purposes for which they were intended are still of the *deepest interest to our country and to the world, and may, hereafter, call again for the active energies of the Government of the United States.*"

It might be interesting in this connection to know that the South and Central American Republics continued to hold conferences for consideration and adjustment of their affairs and the unification of their interests. One was held at Lima in 1847, another in 1864, another was proposed at Panama in 1881, which was prevented by the South American wars, and another was held at Montevideo in 1888–89.

HON. THOMAS C. POWER.

Born near Dubuque, Iowa, May 22, 1839; educated at Sinsinewa College, Wis., in engineering; with surveying party in Dakota, 1860; engaged in mercantile pursuits on Missouri river; located at Fort Benton, 1867; President of "Benton P" line of steamers; largely interested in mines, cattle and mercantile companies; moved to Helena in 1878; member of Montana Constitutional Convention, 1883; delegate to Republican National Convention, 1888; nominated for Governor of State, 1889, on Republican ticket, and defeated; elected to United States Senate, as Republican, January 2, 1890; Chairman of Civil Service Committee; member of Committees on Improvements of Mississippi River, Indian Affairs, Public Lands, Railroads.

The United States was not represented in any of them. The era of our political influence upon these Republics, whether by example, or by the encouragement extended in the "Monroe Doctrine," or by the comity intended by Mr. Adams, had ended with their freedom from monarchical yoke and the assurance that they were forever committed to the Republican spirit.

COMMERCIAL BONDAGE OF THE REPUBLICS.

But singular as it may seem that political freedom was followed by commercial bondage. Commercial Europe set her head for conquest, and with her immense facilities overran the marts from which the Spanish warships had been driven. This invasion has become well nigh complete.

We now come to the second era above mentioned—the commercial. We have seen how the end of the political era witnessed the dawn of the idea of commercial reciprocity with the Southern Republics. The idea lay dormant, so far as the United States was concerned, through the period devoted to working out its own industrial and commercial independence. The industrial and commercial period from 1824 to 1860 may be likened to the political period prior to the Revolution. The industrial and commercial period from 1861 to the present may be likened to the political period from 1787 to 1824, each of these periods being considered with reference to our relations to the Southern Republics. Strange to say, the above period from 1861 to the present corresponds in length with the period from 1787 to 1824, at whose end we took political cognizance of these Republics and witnessed their freedom from European monarchy.

The settlement of our sectional differences by civil war, the establishment of a system of finance which gives us

rank among the nations, the practice of protection which made us industrially and commercially independent, brings us to a point of time when our example and influence must affect the countries of our continent to the south of us in a commercial sense, just as they were affected in a political sense. If their commercial subjugation by Europe is as complete as was their political subjugation by Spain, and their independence as desirable, they may well look once more to us for something which in commerce shall be the equivalent of the "Monroe Doctrine" in politics. We are in a position to extend it, at least that is the significance of practical reciprocity.

A PEACE CONGRESS.

What President Adams called "the deepest interests of our country," and what he prophesied might "hereafter call again for the active energies of the Government of the United States," began its culmination with the invitation of President Garfield for all the independent governments of North and South America to meet in a Peace Congress at Washington. It has been given out that he aimed at something more than a mere code of arbitration in case of disputes which might lead to war among American states, and that he contemplated making commercial reciprocity a leading feature of his administration. His death frustrated his design.

A MORE COMMERCIAL THOUGHT.

President Garfield's invitation was recalled by President Arthur in order that the Congress might be given opportunity to consider the advisability of the step. Just as soon as the Congress began to deliberate upon the matter, the subject took wider and wider range, and the idea of reciprocal commerce became a conspicuous feature. On Jan-

uary 21, 1880, Senator Davis of Illinois first threw his suggestion of an "International American Conference" into a Senate Bill in which occurred the following words: —

"Whereas from the southern boundary of the United States to the Argentine Republic, and also the Republic of Chile, a distance of about 4,500 miles, including Mexico, Central America, Colombia, Venezuela, Peru, Ecuador, Brazil, Bolivia, Paraguay and Uruguay, containing a population of, in all, about 40,000,000 industrious and progressive people, with whom the United States hold, and desire to maintain, the most friendly relations, and with whom a closer and reciprocal interest in trade and commerce ought to be encouraged," etc.

The Davis proposition looked to this "closer and reciprocal interest in trade and commerce" by means of a great southern railroad connecting the three Americas.

On April 24, 1882, Senator Cockrell, of Missouri, introduced into the Senate a bill similar to the above, whose object was the "appointment of a special commissioner for promoting intercourse with such countries of Central and South America as may be found to possess natural facilities for railway communication with each other and with the United States."

On the same date, April 24, 1882, Senator Morgan, of Alabama, introduced a kindred bill, "for the encouragement of closer commercial relations between the United States and the Republic of Mexico, Central America, the Empire of Brazil and the several Republics of South America."

Similar bills were introduced into the House, all looking to "the promotion of commercial intercourse" with the countries to the south of us, all of which were reported adversely by the Committee on Foreign Affairs.

In 1883 Senator Sherman reintroduced into the Senate

the Morgan Bill of 1882. In the first session of the Forty-eighth Congress, Mr. Townsend, of Illinois, introduced a joint resolution, "inviting the co-operation of the Governments of American nations in securing the establishment of free commercial intercourse among those nations and an American Customs' Union."

On March 3, 1884, Senator Cockrell introduced a Senate bill authorizing a commission to Central and South America "for the purpose of collecting information looking to the extension of American trade and commerce," etc. This bill was reported favorably by the Committee on Foreign Affairs.

Before taking action on this bill, the Committee on Foreign Affairs of the Senate requested the views of Mr. Frelinghuysen, Secretary of State, as to the proposed legislation. He reviewed the entire question very fully in his reply of March 26, 1884, and fully set forth the advantages of reciprocity with these countries. His arguments pointed directly to reciprocity as a necessity, in case duties were greatly lowered, or entirely removed, on the products of these countries.

"I am," said he, "thoroughly convinced of the advisability of knitting closely our relations with the States of this Continent, and no effort on my part shall be wanting to accomplish a result so consonant with the constant policy of this country and in the spirit of the Monroe Doctrine, which, in excluding foreign political interference, recognizes the common interest of the States of North and South America. It is the history of all diplomacy that close political relations and friendship spring from unity of commercial interests. . . . . .
The true plan, it seems to me, is to make a series of reciprocity treaties with the States of Central and South

HON. REDFIELD PROCTOR.

Born at Proctorsville, Vermont, June 1, 1831; graduated from Dartmouth, 1851, and from Albany Law School in 1859; practiced law in Boston; served in Army 1861–63; rose to be Colonel of Fifteenth Vermont Volunteers; returned to practice of law; elected to Assembly, 1867–68; again, 1888; served in State Senate, 1874–76; elected Lieutenant-Governor, 1876; advanced to Governor, 1878; delegate-at-large to Republican National Conventions, 1884, 1888; appointed Secretary of War by President Harrison, 1889; resigned November 1, 1891, to take place of Senator Edmunds in United States Senate; a man of pronounced Republican views, high standing as lawyer and statesman, ripe business experience, and great popularity with his people.

America, taking care that those manufactures, and as far as is practicable those products, which would come into competition with our own manufactures and products should not be admitted to the free list. By these treaties we might secure for valuable consideration so as not to violate the most-favored-nation clause of other treaties, further substantial advantages. Such, for example, as the free navigation of their coasts, rivers and lakes.

"Indiscriminate reduction of duties on materials peculiarly the production of Central and South America would take from us the ability to offer reciprocity, and we would thus lose the opportunity to secure valuable trade. Removal of duties from coffee, without greatly cheapening its price, deprived us of the power to negotiate with the coffee-growing countries of Spanish-America highly advantageous reciprocity treaties, and indiscriminate reduction of duties on sugar would complete our inability to establish favorable commercial relations with those countries which form our natural market, and from which we are now almost entitely excluded. If we confine the reduction of duties on such articles as sugar and coffee to those Spanish-American countries which are willing to negotiate with us treaties of reciprocity, we cheapen these products for our own people and at the same time gain the control of those markets for the products of our fields and factories."

STARTLING REVELATIONS.

The report of the House Committee, to which two of the above bills had been referred, was most elaborate and contained some startling revelations as to trade with these countries. It showed their total commerce in 1883 to be $752,918,000, in which the United States participated only to the extent of $142,282,000. It showed that their imports

to the United States amounted for that year to $93,319,000, whereas we sent in turn to them only $48,963,000. It quoted from the work of a recent commercial traveller through those States, to this effect:

"It always grieved me exceedingly, and was particularly offensive to my sense of the fitness of things, to find almost everything in the way of foreign merchandise, throughout the length and breadth of my routes, of European manufacture. At different points along the Atlantic and Pacific coasts, in many cities of the plains, in various towns on the mountain slopes, on the apex of Potosi and on the tops of other Andean peaks higher than Mount Hood, I have gone into stores and warehouses and looked in vain—utterly in vain—for one single article of American manufacture. From the little pin with which the lady fastens her beau-catching ribbons to the grand piano with which she enlivens and enchants the hearts of all her household; from the tiniest thread and tack and tool needed in the mechanic arts to the largest plows and harrows and other agricultural implements and machines required for use on the farm—all these and other things, the wares and fabrics and light groceries and delicacies in common demand; the drugs and chemicals sold by the apothecary; the fermented, malt and spirituous liquors in the wine saloon; the stationery and fancy goods in the book-store; the furniture in the parlor and the utensils in the kitchen, are, with rare exceptions, of English, German, Spanish, or Italian manufacture. And what makes the matter still more unsatisfactory and vexatious to the North American and more expensive and otherwise disadvantageous to the South American, is that these articles are, as a general rule, inferior both in material and make to the corresponding article of American manufacture."

The report favored the appointment of a commission to

these countries. A bill authorizing such commission was passed, and George H. Sharpe, New York, Solon O. Thacher, Kansas, and Thomas C. Reynolds, Missouri, were appointed Commissioners, with Mr. W. E. Curtis as Secretary. They sat in our principal cities, visited the countries of Central and South America, and made valuable reports from time to time.

On December 21, 1885, Mr. Townsend, of Illinois, reintroduced his resolution into the House, looking to an American Customs' Union. It was reported adversely, as was a bill providing for international arbitration. The same fatality befell similar bills in the Senate.

GROWTH OF THE COMMERCIAL THOUGHT.

On February 22, 1886, Senator Frye, of Maine, introduced an elaborate bill into the Senate "to promote the political progress and commercial prosperity of the United States." It provided for an American International Congress at Washington on October 1, 1887, and suggested a list of subjects to be considered, which list embraced:

1. Measures of peace and prosperity.
2. An American Customs' Union.
3. Regular and frequent steamship lines.
4. Uniform system of customs regulations.
5. Uniform weights and measures.
6. A common silver coin.
7. A definite plan of arbitration.

On March 29, 1886, Mr. McCreary, of Kentucky, introduced in the House a bill "authorizing the President to arrange a conference for the purpose of encouraging peaceful and reciprocal commercial relations between the United States and Mexico, the Central American and South Amer-

ican States." On the same day Mr. McKinley, of Ohio, introduced a bill favoring an Arbitration Conference.

On April 15, 1886, Mr. McCreary, of Kentucky, reported his bill from the Committee on Foreign Affairs, with a complete text and favorable report. It provided for an International Conference at Washington, and for "considering questions relating to the improvement of business intercourse between said countries, and to encourage such reciprocal commercial relations as will be beneficial to all and secure more extensive markets for the products of each of said countries."

NECESSITY FOR RECIPROCAL TRADE.

The report of the majority of the committee accompanying this bill was a very able one, and particularly valuable as a matter of economic and commercial history, and as coming from a committee not regarded as favorable to the reciprocity idea.

The report set forth among other things:

"The subject of establishing closer international relations between all the Republics of the American continent and also the Empire of Brazil, containing in the aggregate one hundred millions of people, for the purpose of improving the business intercourse between those countries and securing more extensive markets for the products of each, is both interesting and important. Sixty years ago this subject was discussed and a conference was suggested between representatives of our Government and the other Governments, and President John Quincy Adams appointed representatives to the Congress held at Panama to consider measures for promoting peace and reciprocal commercial relations between said countries. This Conference was beneficial, but at that time our people were looking more to Europe

for business and commerce than to the countries south of us, and no action was taken by our Congress. Now the United States is at peace with all the world and our population and wealth make this the foremost Republic of the world, and our Government should inaugurate the movement in favor of an American Conference.

"The present depression of business and low price of farm products are caused, to a considerable extent, by a limited market for our surplus products. Some of the best markets we can look to are not far beyond our southern border. They are nearer to us than to any other commercial nation. The people of Mexico and of Central and South America produce much that we need, and our abundant agricultural, manufactured, and mineral productions are greatly needed by them. These countries cover an area of 8,118,844 square miles, and have a population of 42,770,374. Their people recognize the superiority of our products, and desire more intimate business intercourse with our people, but the great bulk of their commerce and trade is with Europe. The Argentine Republic has from forty-five to sixty steamships running regularly between Buenos Ayres and European ports, and no regular line between that country and the United States, and our commercial facilities with the other republics of Central and South America are about the same.

"In 1884 our exports were valued at $733,768,764.

"Of this amount we exported but $64,719,000 to Mexico and South and Central America.

"Our annual mechanical and agricultural products are valued at $15,000,000,000, while we seldom have sold more than $75,000,000 worth of these products to our nearest neighbors, who buy in Europe at least five times as much as they get here.

"The total commerce of the countries named in 1883 was as follows: Imports, $331,100,599; exports, $391,294,781.

"Of the $331,100,599 of merchandise sold to those countries, the share of the United States was only $42,598,469; yet we are their closest neighbor.

"The disparity of our trade with Peru, Chili, Argentine Republic and Brazil is both amazing and humiliating.

To	From Great Britain.	From United States.
Peru	$6,235,685	$743,105
Chili	11,060,880	2,211,007
Argentine Republic	29,692,295	4,317,293
Brazil	33,946,215	7,317,293

"The consumption of cotton goods in Central and South America and in Mexico amounts to nearly $100,000,000 annually, and although they are so near our cotton-fields, England furnishes about 95 per cent. of these goods.

"Cotton fabrics constitute the wearing apparel of nearly three-fourths of those people, and they have to import all they use.

"England monopolizes this trade because of her cheap transportation facilities, and because her mills furnish goods especially adapted to the wants and tastes of the consumers, which our mills have never attempted to produce.

"It is very important that transportation facilities between the United States and her southern neighbors should be improved; for as long as the freight from Liverpool, Hamburg and Bordeaux is $15 a ton, they cannot be induced to pay $40 a ton to bring merchandise from the United States.

"There is not a commercial city in these countries where the manufacturers of the United States cannot compete with

their European rivals in every article we produce for export.

"The report of the South American Commission shows, by the testimony of the importing merchants of those countries, that aside from the difference in cost and convenience in transporting, it is to their advantage to buy in the United States, because the quality of our products is superior, and our prices are usually as low as those of Europe."

AN OPPOSING VIEW.

Mr. Belmont presented a minority, and opposing, report to the above bill. In discussing it from a commercial standpoint, he made quite prominent a fact, if not a principle, though unintended on his part, that was fully recognized when reciprocity was introduced into the Tariff Act of 1890. He said:

"Nothing is now so desirable for our own people as a free and reciprocal interchange of products between ourselves and the people of other nations on this continent. But what now hinders such free interchange so much as our tariff laws? If this Government shall invite Brazil, Mexico and the Republics of Central America and South America to join us in a conference to promote such free and reciprocal interchange of products, what concessions in our tariff schedules is the President to be authorized to instruct our commissioners to propose on our part? The question of our own tariff will naturally and immediately come up for discussion and consideration. Shall, for example, our commissioners be authorized to offer to the Argentine Republic to admit its wool into our ports free of duty?

"No one can be more sensible than I am of the great advantages which in our country flow from that free commercial intercourse, unvexed by tariffs or custom-houses, which

the Federal Constitution secures. I wish by some possible and wise contrivance those advantages now enjoyed by and between Maine and California, Florida and Alaska, could be realized by and between every nation and every producer on this hemisphere from Baffin's Bay to Cape Horn. But is this Government now in condition to successfully ask in a diplomatic way the accomplishment of such a result? To use Mr. Gladstone's language, should we not first of all begin to govern ourselves in tariff matters with 'justice and moderation?' And then, too, does opinion in this House tend to tolerate a reform or protective system by treaties?

"One of the difficulties with which we in the United States have now to contend is that, by reason of our present tariff laws, we cannot in our own workshops compete with European manufacturers, notwithstanding the great advantage we have from the efficiency of better paid and better educated labor. So long as such tariff laws shall be maintained it is not believed that any diplomatic negotiations will enable the United States to do in the Dominion of Canada, or in Mexico, or in Central America, or in South America what we cannot do at home—which is to compete with European manufacturers. Freedom to *buy* in these communities we now have, and we can enlarge its use to any degree, but freedom to *sell* to those communities we can only enlarge by producing equally good articles which we will sell at least as cheaply as our European competitors. All schemes whatever for retaining a protective system and gaining foreign markets are impossible of success, no matter how many railways we may build or steamships we may subsidize. It will be seen from the statistics already given that a large part of the products of our neighbors to the south of us are now admitted at our custom-houses free of duty, but the difficulty of increasing the exports of our

HON. JAMES L. PUGH.

Born in Burke co., Ga., December 12, 1820; moved early to Alabama, and received academic education; admitted to bar in 1841, and acquired a lucrative practice; elected to 36th Congress, but withdrew when State seceded; served in Confederate army; elected to Confederate Congress, 1861–63; resumed law practice at Eufaula; member of Convention that framed State Constitution in 1875; elected to U. S. Senate in 1880; re-elected 1884 and 1890; member of Committees on Education and Labor, Judiciary, Privileges and Elections, Revolutionary Claims and Canadian Relations.

manufactured products to those countries remains, because our protective tariff inflicts what, owing to the increased cost of manufacture, is in effect *an export tax* upon our products, which frustrates the efforts of our enterprising and inventive people to have more complete possession of the neighboring markets upon this continent."

ARGUMENTS FOR RECIPROCITY.

It was not until May 6, 1886, that Senator Frye's bill, before alluded to, was reported to the Senate by the Committee on Foreign Relations. Its provisions were very like those of the McCreary bill. It was accompanied by a still more elaborate report than that in the House, which report included the reports made from time to time by the commissioners who had visited the Central and South American countries. This report, or, rather, these reports, left little to be added upon the propriety of an international conference, and the necessity for reciprocity in trade and commerce. We first use the language of Commissioner Thacher:—

"The peculiarities of the Latin race in America lead it away from manufacturing pursuits. Valencia centuries ago imported wool from England and returned it in cloths, but the process is now reversed.

"Great Britain manufactures for the world, and Spain, with all the colonies she planted, contributes to her commercial supremacy.

"In Spain there is cheap fuel and plenty of water-power. In Spanish America, from Mexico to Magellan, there are few coal-fields, but almost everywhere flowing streams, furnishing the cheapest and most abundant power.

"Guatemala, Costa Rica, the western slopes of the Andes, Uruguay, and portions of the Argentine Republic have un-

failing and enormous stores of this easily-used motor. Yet in Costa Rica I saw only two water-driven mills; in Guatemala there were a few more; yet not one-thousandth part of the water-power was utilized. The Rimac for nearly 70 miles is a dashing cascade, with only a tannery, a brewery, and possibly a few other industries at Lima holding in check for a few minutes its rushing flood.

"Chili in the Mopocho and the Maipo has powerful streams, and hundreds of smaller water-courses find their way to the ocean.

"The report from Uruguay calls attention to its internal water-power, and the statements submitted with the report from the Argentine Republic show how immense is the water-power in the Gran Chaco region.

"We must conclude, then, that the want of manufactured products in these countries grows out of either or both of two causes; the one a disinclination to take up the patient, steady routine of daily toil necessary to successful manufacturing, and the other a greater profitableness in other more congenial pursuits.

"Without dwelling on the point, I may say that it is safe to aver that these countries will for years be great consumers of foreign manufactured goods.

"In Chili the war with Peru demoralized the soldiers, many of whom were taken from the ordinary pursuits, and, returning from their conquest, failed to take up the peaceful avocations they left; and yet Chili is beyond doubt in manufactories the New England of South America. The special report on this country fully covers this question.

"In any trade relations we may establish with those countries we may reasonably count on the permanence of the demand for our goods.

"The larger portion of the commerce we are seeking has

been in the hands of Great Britain, but of recent years another, and what promises to be a more formidable rival, has come to the front.

"The German manufacturers, intrenched behind encouraging and protecting legislative walls, have pushed their products far beyond the home demand. Always sure of their own market without competition, they have turned their unflagging energies to secure centers of trade in the Western Hemisphere. They are clever imitators of every new invention, of every improved machine, and of many of the most useful and popular goods produced in the United States. They send out counterfeits of the famous 'Collins' wares, even to the very brand; they make mowers and agricultural implements as nearly like ours as possible. Our sewing-machines are copied by these people, and the imitations are palmed off on the South American trade as coming from the United States. The character and ways of these new rivals for the trade of our neighbors is thus graphically portrayed by our former consul-general in Mexico, Mr. Strother, and I may add that what the German is in Mexico he is in all the other Central and South American nations.

"General Strother says:

"'For the rest it will still remain with American manufacturers and merchants to solve the question of successful competition with their European rivals, the most formidable of whom at present are the Germans, whose commercial establishments are more substantially planted and more widely extended than those of any other foreign nation. And it may be well here to note their methods and the causes of their success. The German who comes to Mexico to establish himself in business is carefully educated for the purpose, not only in the special branch which he proposes

to follow, but he is also an accomplished linguist, being generally able to converse and correspond in the four great commercial languages—German, English, French, and Spanish. His enterprise is usually backed by large capital in the mother country. He does not come to speculate, or inflated with the hope of acquiring sudden fortune, but expecting to succeed in time by close attention, patient labor and economy, looking forward twenty, thirty, or even forty years for the realization of his hopes. He builds up his business as one builds a house, brick by brick, and with a solid foundation. He can brook delays, give long credits, sustain reverses, and tide over dull times. He never meddles with the politics of the country; keeps on good terms with its governors, whoever they may be. He rarely makes complaints through his minister or consul, but if caught evading the revenue laws, or in other illegal practices, he pays his fine and goes on with his business. With these methods and characteristics, the German merchant generally succeeds in securing wealth and the respect of any community in which he may have established himself.'

"In a conversation with the British minister, Sir Spencer St. John, in Mexico, he observed to me that the success of the Germans in dealing with the revenue officials and in pushing their trade had driven out of Mexico every wholesale English house, whereas the foreign commerce was once largely in the hands of his countrymen.

"In passing from this point we must not forget that notwithstanding all this copying of our productions by the German manufacturer, yet the deception deceives few, and that were the markets open to our dealers the superior material, workmanship, and fidelity of our goods would defy all competition.

"The French, equally protected by home legislation and

HON. JOHN M. PALMER.

Born in Scott co., Ky., September 13, 1817; moved to Illinois, 1831; studied at Alton College; admitted to bar, 1839; elected Probate Judge of Macoupin co., 1843; member of Constitutional Convention, 1847; elected County Judge, 1848; elected to State Senate, 1852; elected to State Senate, 1855, as Anti-Nebraska Democrat; Delegate to Republican National Convention, 1856; candidate for Congress, 1859, on Republican ticket and defeated; member of Peace Conference, 1861; entered Union army (1861) as Colonel of 14th Illinois Regiment; promoted to Brigadier General, 1861; promoted to Major General, 1863; commanded 14th Army Corps, 1863; operated on Mississippi, with army of Cumberland and with Sherman to Atlanta; elected Governor of Illinois, 1868; nominated for Governor on Democratic ticket, 1888, and defeated; elected U. S. Senator, as Democrat, 1891.

alive to the wants of the South American markets, are increasing their trade there.

"Indeed we must meet in the ports of our neighbors the wares of many of the European countries, all of which are borne to their destination in vessels flying their own national ensign."

FURTHER ARGUMENTS.

Mr. Reynolds, another of the Commissioners, discussed the reciprocal trade idea still more ably and exhaustively, and in fact left the matter in such shape as that the system of practical reciprocity incorporated into the Act of 1890 was the inevitable outcome of his logic. He says:

"Among the means to secure more intimate commercial relations between the United States and the several countries of Central and South America, suggested in the first report of the Commission to those States (transmitted by the President to Congress on February 13, 1885, and printed as Ex. Doc. No. 226), were the following (p. 4): 'Commercial treaties with actual and equivalent reciprocal concessions in tariff duties.' As the words 'actual and equivalent, were adopted at my suggestion, an explanation of their full force may not be superfluous. A stipulation in a treaty that certain products of one country shall be admitted free, or at a reduced duty, into another country, may, on paper, appear to offer a reciprocal concession for a like admission of certain other products of the latter country into the former. But the seeming effect of it may be neutralized in various ways, so that it will be, to the one country or the other, not an actual concession. Chief among those ways are, the existence of treaties with other nations, placing them on the footing of the 'most favored nation,' export duties, home bounties, drawbacks, monopolies, and muni-

cipal or other local taxation. The skill of the diplomatist, aided by information from consuls, merchants, shippers, and other experts in the question, should be exerted to frame the treaty so as to prevent the defeat of its real object by such collateral disadvantages and burdens. To explain them, or point out modes of removing them, severally, would unduly extend the length of this letter.

"But one of them, the 'most favored nation clause,' deserves special consideration. It is understood that Great Britain, Germany, and probably other countries, claim that a reciprocity treaty with the United States by a Spanish American country applies to them, under that clause in their treaties with the last-mentioned country, with the same effect as if their names had been in the treaty instead of or along with that of the United States. For example, should the United States, resuming import duties on coffee, grant to Brazil freedom from them, on the 'reciprocal concession' that flour and certain American manufactures should be admitted free into that Empire, Great Britain, which consumes very little coffee of any kind, and probably none from Brazil, would claim the same freedom for her like manufactures. Thus, in return for our being customers of Brazil, in coffee to the amount of about $50,000,000 annually, Great Britain, offering no 'equivalent' concession in fact, would still be able to drive (or rather, keep) us out of the Brazilian market for those manufactures which she can supply more cheaply or with greater facility through her lines of steamers.

"After much thought on the subject, I have found no surer mode of making reciprocity 'equivalent' than by expressing in the treaty itself, and as a condition of it, the real object of every reciprocity treaty, the actual and equivalent increase of the commerce between the parties to it. For

illustration, should the United States make a reciprocity treaty with Spain for certain concessions designed to increase our exports to Cuba, in consideration of a reduction of our duties on Cuban sugars, the treaty should provide, that that reduction should exist only as long as Cuba imported from the United States at least a certain fixed amount in value annually, and Spain might justly require a like condition as to the annual amount of our imports of Cuban sugars. The custom-house returns of the two countries would readily fix the respective amounts, and the reciprocity of the treaty, whenever it ceased to be actual and equivalent, could be suspended by a proclamation of the President, on due notice to be provided for in the treaty.

"As it is undeniable, and even generally admitted, that the 'most favored nation clause' entitles a country having the privilege of it to be merely 'on all fours' with any other nation, and share the advantages of it only on the identical conditions accompanying them, such a proviso as that above mentioned would effectually block the diplomatic game which Germany is understood to have played upon us in Mexico, by claiming for herself the benefits of our recent reciprocity treaty with that Republic. Taking, in fact, no sugar and little tobacco or anything else from Mexico, she sagaciously offers to remit her duties on them, and claims for her exports to that Republic, mainly in manufactures, the same concessions it made to the United States in order to increase the exports of its own products to our country. With such a proviso as that above suggested, Germany would be beaten on her own diplomatic ground. Mexico would be obligated by the 'most favored nation clause' only to offer to Germany the same treaty, *mutatis mutandis*, her name taking the place of that of the United States. As her imports from Mexico would not compare with ours, such a

treaty would give her no actual advantage over us. So, also, with Cuba in her commerce with Germany, and probably, also, with Great Britain and France. No one of those countries (France and Germany making their own beet-root sugar, and Great Britain being supplied principally by her own colonies) would be able to take from Cuba the amount of sugars which would be the treaty 'equivalent' for the concessions made to the United States.

"Another important consideration in deciding what kind of a reciprocity treaty to make, or whether to make it at all, is the effect it would have on some equally advantageous indirect trade. By driving out of some South American market some other country which trades with us, we may diminish the purchasing power of that country in our own markets, and increased indirect trade with the former may not compensate us for a loss of trade with the latter. In this connection, the effect of several misused terms is to be deprecated. Generally when our imports from and exports to any particular country do not balance at all, the very bad English is common of speaking of a 'balance of trade' for or against us. It is refreshing to notice that in the reports of our Bureau of Statistics that improper phrase is discarded, and the difference between exports and imports is described as an excess of one over the other. An excess of imports over exports in a particular venture may represent a gain, and not a loss. A familiar illustration is that of a Boston ship which, in former times, would take a cargo belonging to the ship's owner, worth, say, $100,000, to China, and return with one, also belonging to the same owner, worth twice the amount. The difference, being the returns for the expenses of the voyage, the profit in China on the original venture, and that in Boston on the return cargo, would be all gain. The same may be the case with the entire com-

HON. THOMAS B. REED.

Born at Portland, Maine, October 18, 1839; graduated at Bowdoin, 1860; studied law and admitted to bar; Assistant Paymaster in Navy, 1864–65; member of State House of Representatives, 1868–69, and of Senate, 1870; Attorney General of Maine, 1870–72; Solicitor of Portland, 1874–77; elected, as a Republican, to 45th, 46th, 47th, 48th, 49th, 50th and 52d Congresses; elected and presided as Speaker of House in 51st Congress; an able and efficient parliamentarian; his decision as to actual presence and constructive absence in counting a quorum was sustained by the U. S. Supreme Court; a writer and speaker of originality and force.

merce of one country with another, as could be amply shown from the statistics of British trade with Asia, given in Mr. Frelinghuysen's letter on the 'Commerce of the world.' Of course, in some other special case it might be otherwise.

"Another very general error is to treat an excess of imports over exports in our trade with a particular country as a difference which we pay in cash. This is rarely, if ever, the case. It is usually paid in exchange on some other country, obtained by selling to it our own products. Brazil affords a very fair illustration. We take from that Empire directly products many millions in value in excess of what we send directly to it. That excess is paid for by exchange on London, based on our exports of provisions, cotton, etc., and with that exchange the Brazilian pays for English manufactures to be sent to Rio. The indirect trade may be different. The Englishman may sell his manufactures in Brazil, convert the proceeds directly, or indirectly by purchase of exchange, into coffee, with the proceeds of which in New York he purchases provisions to be sent to England. In either case the result is the same. England gains some profit in exchange, as London is the world's money centre, and in freights which her ships carry. But to the extent to which England is crippled in her sales to Brazil, her purchasing power in our provision markets may be diminished.

"Therefore, before making a reciprocity treaty, we should carefully consider, in each particular case, whether, even with the profits in exchange and shipping in a direct trade, we may not be losing a more profitable commerce in a different direction, by diminishing the power of others of our regular customers to purchase products from us."

A STILL FURTHER VIEW.

Mr. Curtis, Secretary of the Commission and afterwards a

Commissioner, added a very interesting report, which still further elaborated the necessity for reciprocal trade. He said:—

"During the last twenty years the value of the exports from the United States to the Spanish Americans was $442,048,975, and during that time we purchased of them raw products to the amount of $1,185,828,579, showing an excess of imports during the twenty years amounting to $765,992,219, which was paid in cash. It will thus be seen that our commerce with Central and South America has left a very large balance on the wrong side of the ledger, while those countries have all the time been buying in Europe the very merchandise we have for sale. Being the very reverse of the United States in climate and resources, they constitute our natural commercial allies, and the exchange should at least be even; but they sell their raw products here and buy their manufactured articles in Europe. The principal reason for this is that the carrying trade is in the hands of Englishmen. The statistics show, that, of the total imports into the United States from Spanish America, which, in 1884, amounted to $159,000,000, three-fourths were carried in foreign vessels. Of our exports to those countries, amounting last year to $64,000,000, $46,000,000 were carried in American vessels, while only $18,000,000 were carried by foreign vessels. It will thus be seen that nearly everything we buy is brought to us from Spanish America by Englishmen, while nearly everything we sell we have to carry there ourselves. The logic of these facts is irresistible.

"The most absurd spectacle in the commercial world is the trade we carry on with Brazil. We buy nearly all her raw products, while she spends the money we pay for them in England and France.

"In 1884, of the exports of Brazil $50,266,000 went to

the United States, $29,000,000 to England, and $24,000,000 to France. Of the imports of Brazil in 1884, $35,000,000 came from England, $15,000,000 from France, and $8,000,000 from the United States.

"Another peculiar feature of this commerce was that of the exports of Brazil to the United States $32,000,000 were carried in English vessels and $9,000,000 in American vessels, while of her imports from the United States $6,000,000 were carried in American vessels and only $2,000,000 in English vessels. The trade is carried on by triangular voyages. Two lines of steamships sailing under the British flag load every week at Rio for New York. Arriving at the latter port they place their cargoes of coffee and hides in the hands of commission merchants, and sail for Europe, where they draw against these consignments, and buy Manchester cotton, Birmingham hardware, and other goods which they carry to Brazil. During the last twenty years this absurd spectacle has cost the United States $600,000,000, every cent of which has gone into the pockets of English and French manufacturers. We have not only paid for the goods that England has sold Brazil, but as we have had no banking connections with that country and no ships on the sea, nearly every ton of this commerce has paid a tax to English bankers and vessel-owners.

"Several years ago, when we removed the import tax on coffee, Brazil put an export duty on, so that the attempt of Congress to secure a cheap breakfast for the workingman simply resulted in diverting several million dollars from the treasury of the United States into the treasury of Brazil, without changing the price of the article. Mexico and the countries washed by the Caribbean Sea produce a better quality of coffee than is grown in Brazil, and if the United States Government would consent to discriminate against

Brazilian coffee, raised by slave labor, the nations of Central America and the Spanish Main would reciprocate by admitting free to their ports our flour, lumber, provisions, lard, dairy products, kerosene, and other articles which are now kept from the common people by an almost prohibitory tariff.

"Brazil is in such a critical condition, financially and commercially, that if we did not buy her coffee it would rot on the trees, and the Englishmen who control her foreign commerce would have to close their warehouses and throw all the Brazilian planters into the bankrupt court. These Englishmen have secured mortgages upon the plantations of Brazil by supplying the planters with merchandise on credit and taking the crop at the end of the season in payment; but as the crop seldom pays the advances, the mortgages have been lapping over upon the plantations, until now the Englishmen have the Brazilians by the throat, making their own terms, charging one profit on the merchandise sold, another as interest on the advances, a third on the coffee purchased, and a fourth as interest on payments deferred, while they make three profits out of us: first, on coffee they sell us; second, on transportation charges; third, in discounting our bills on London.

"The greater part of our exports to Spanish America go to Mexico and the West Indies. Deducting these from the total, it will be found that we buy over 30 per cent. of what the South American countries have for sale, and furnish them only 6 per cent. of their imports. The balance of trade goes on piling up at the rate of nearly $100,000,000 a year. This was not always so. Twenty years ago more than half the commerce of this hemisphere was controlled by the merchants of New York, Boston, and Baltimore, and more than half the ships in its harbors sailed from those

ports. Now only a small percentage of the carrying trade is done in American bottoms, while English ship-owners who control the transportation facilities permit the Spanish-American merchants to buy in this country only such goods as they cannot obtain elsewhere.

"The cause of this astonishing phenomenon is our neglect to furnish the ways and means of commerce. We can no more prevent trade following facilities for communication than we can repeal the law of gravity. While we have been pointing with pride at our internal development, England and France have been stealing our markets away from us. The problem of recovering them is easy of solution. The States of Central and South America will buy what we have to sell if intelligent measures are used to cultivate the markets and means are provided for the delivery of the goods.

"The Spanish-American nations seek political intimacy with the United States, and look to this, the mother of republics, for example and encouragement. They recognize and assert the superiority of our products. They offer and pay subsidies to our ships. Brazil now pays $100,000 a year as a subsidy to an American steamship line, while the United States Government paid only $4,000 last year to the same line for carrying our mails. The Argentine Republic had a law upon its statute-books representing a standing offer of a subsidy of 96,000 silver dollars a year to any company that will establish a steamship line between Buenos Ayres and New York, under the American flag, and at the same time has twenty-one lines of steamships, sailing from forty-five to sixty vessels a month, between Buenos Ayres and the ports of Europe, to which it pays nothing. We have no steamship communication with the Argentine Republic whatever. During the last year, out of the millions of tons of shipping represented in the harbor

of that metropolis, there were no steamers from the United States, and our flag was seen upon but 2 per cent. of the sailing vessels. Here is a nation purchasing in Europe $70,000,000 worth of merchandise every year, and only spending about $4,000,000 in the United States, and these $4,000,000 represent articles, such as petroleum, lumber, lard and other pork products, which could not elsewhere be obtained."

THE INTERNATIONAL CONFERENCE.

The Senate passed the Frye bill on June 17, 1886, but it did not become a law until May 24, 1888, when the INTERNATIONAL AMERICAN CONFERENCE became a possibility.

It was for this Conference to give wider, fuller, more learned and disinterested consideration to the question of trade relations and reciprocal commerce between the American nations than ever before. It was called by the President to meet in Washington, October 2, 1889. Invitations were duly issued, and the Conference met with delegates present from Argentine, Bolivia, Brazil, Chili, Colombia, Costa Rica, Ecuador, Guatemala, Hayti, Honduras, Mexico, Nicaragua, Paraguay, Peru, Salvador, United States, Uruguay, Venezuela.

Hon. James G. Blaine was elected President of the Conference. It remained in session until April, 1890, and discussed and reported upon all the subjects prescribed in the Act authorizing the call, to wit:—

Plan of Arbitration; Reciprocity Treaties; Inter-Continental Railway; Steamship Communication; Sanitary Regulations; Customs Regulations; Common Silver Coin; Patents and Trade Marks; Weights and Measures; Port Dues; International Laws; Extradition Treaties; International Bank.

In the discussions upon "Reciprocity Treaties," all of which were very able and interesting, two lines of thought appeared. That which represented all of the countries except Argentine and Chili, was in the direction of reciprocity, whose advantages were conceded, and whose practical operation needed but the encouragement of some acceptable concession on the part of the United States. The thought of Argentine and Chili seemed to be that reciprocity was impracticable, unless enlarged to suit the world, and that the United States was not yet so commercially strong, or was too hampered with her tariff system to offer the necessary concessions to all the nations. The attitude and the logic of these two States were fully met by the delegates of the United States in the Conference, showing in detail that the first stage of national growth is agricultural, the second is manufacturing, and the third is commercial. The first two stages with us have been reached, and we now enter upon the third. The same restless energy, the same enterprise, and the same inventive genius which gave success to agriculture and manufactures will mark the development of commerce.

"The spirit of enterprise begins to spread like contagion into Central America. Imagination already paints on her canals the commerce of the world. The locomotive is there a messenger of peace, the steel rail a bond of friendship.

"Colombia and Venezuela and Brazil and Ecuador and Peru already feel the irresistible impulse which impels to a closer union. The Argentine and Chili may hesitate for a time, but finally they too will join hands with their sister Republics, and joyfully assist to fulfil the bright destiny that awaits us all."

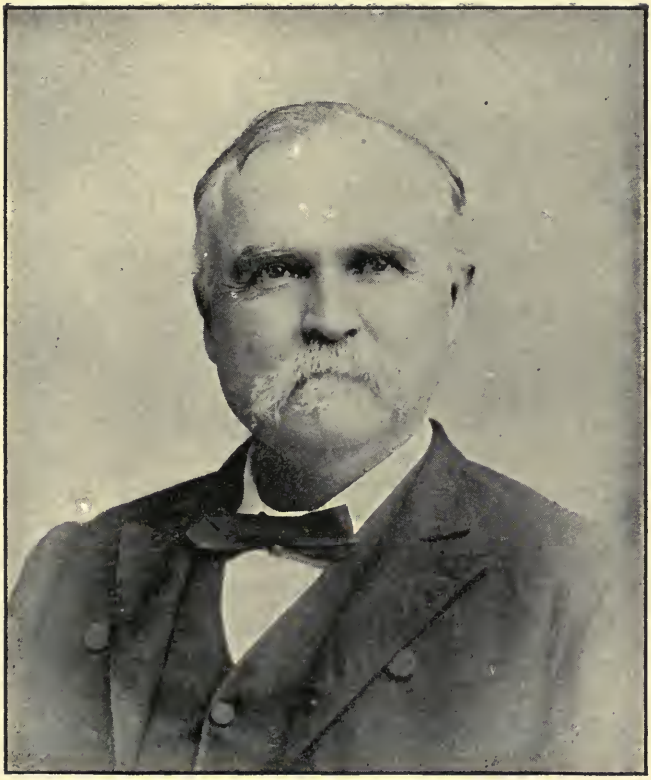
CONFERENCE REPORT AND BLAINE'S REVIEW.

The Conference adopted a Report which recognized the policy of reciprocity and the "need of closer and more reciprocal commercial relations among American States." Secretary Blaine submitted this Report to the President, June 19, 1890, with an exhaustive review of its contents. This review was so exhaustive, and is, moreover, such an important part of the literature of reciprocity, that inability to publish it here in full, for lack of space, is greatly regretted. But its gist was that out of a total of $233,000,000 imports furnished to Chili and Argentine alone in 1888, England contributed $90,000,000, Germany $43,000,000, France $34,000,000, the United States only $13,000,000, and this, notwithstanding the facts that our ports were nearest, and the bulk of those imports were of articles we were actually manufacturing better and as cheaply as foreign nations.

That in 1868 our total exports were $375,737,000, of which $53,197,000, or 14 per cent., went to Spanish America, while in 1888 our total exports were $742,368,000, of which $69,273,000, or only 9 per cent., went to Spanish America.

That it was the unanimous judgment of the delegates that our exports to these countries and the other Republics could be increased to a great extent by the negotiations of proper reciprocity treaties.

That lack of means for reaching their markets was the chief obstacle in the way of increased exports. The carrying trade has been controlled by European merchants who have forbidden an exchange of commodities. Under liberal encouragement from the government and the establishment of regular steamship lines, France increased her exports to South America from $8,292,000 in 1880 to $22,996,000 in 1888. By the same means Germany increased her exports



HON. ROGER Q. MILLS.

Born in Salem, Kentucky, in 1832; when seventeen years of age he emigrated to Texas; he became a lawyer, and when twenty-seven years of age was elected to the Texas Legislature; at the breaking out of the civil war he joined the Southern army as Colonel of a regiment of infantry; he was wounded a number of times, though not seriously, and, returning to his home at Corsicana, resumed the practice of his profession; in 1872 he was elected to Congress on the Democratic ticket, and has been returned at every subsequent election. His majority at the last election was over 16,000; Mr. Mills was always a tariff reformer, and he was entrusted by Speaker Carlisle in the Fiftieth Congress with the task of framing a tariff bill, which was the issue of the campaign of 1888, in which the Democrats were defeated; Mr. Mills was a candidate for Speaker for the present House, but Mr. Crisp secured the prize; elected to U. S. Senate, March 22, 1892, by unanimous vote of Texas Legislature.

to South America from $2,365,000 in 1880 to $13,310,000 in 1888.

That the Conference believes that while great profit would come to all countries under reciprocity treaties, the United States would be far the greatest gainer, and that especially since 87 per cent. of our imports from those countries came in duty free, while nearly all our exports to them were heavily dutiable at their ports, in some cases to the extent of prohibition.

That increased exports would draw alike from our farms, factories and forests, such being the character of the articles required by those countries. A steamer load from New York to Rio Janeiro, which was traced to its origin, as to the articles which comprised it, showed that thirty-six of our States and Territories had contributed to the cargo.

That, excepting raw cotton, our four largest exports are breadstuffs, provisions, petroleum and lumber. In 1889 our export of these articles was:—Breadstuffs, $123,876,423, of which only $5,123,528 went to Latin America; Provisions, $104,122,328, of which only $2,507,375 went thither; Petroleum, $44,830,424, of which $2,948,149 went thither; Lumber, $26,907,000, of which $5,039,886 went thither. Since the United States is almost the only source of supply for these articles, which rank as necessaries of life, and there are 50,000,000 of population in Latin America, the advantages of a direct and larger trade are apparent.

That fifteen of the seventeen Republics in the Conference indicated their desire to enter upon reciprocal commercial relations with the United States; the remaining two expressed equal willingness, could they be assured that their advances would be favorably considered.

That to "escape the delay and uncertainty of treaties it

has been suggested that a practicable and prompt mode of testing the question was to submit an amendment to the pending tariff bill, authorizing the President to declare the ports of the United States free to all the products of any nation of the American hemisphere upon which no export duties are imposed, whenever and so long as such nation shall admit to its ports free of all national, provincial (state), municipal, and other taxes, our flour, corn-meal, and other breadstuffs, preserved meats, fish, vegetables and fruits, cotton-seed oil, rice and other provisions, including all articles of food, lumber, furniture and other articles of wood, agricultural implements and machinery, mining and mechanical machinery, structural steel and iron, steel rails, locomotives, railway cars and supplies, street cars, and refined petroleum. These particular articles are mentioned because they have been most frequently referred to as those with which a valuable exchange could be readily effected. The list could no doubt be profitably enlarged by a careful investigation of the needs and advantages of both the home and foreign markets.

"The opinion was general among the foreign delegates that the legislation herein referred to would lead to the opening of new and profitable markets for the products of which we have so large a surplus, and thus invigorate every branch of agricultural and mechanical industry. Of course the exchanges involved in these propositions would be rendered impossible if Congress in its wisdom should repeal the duty on sugar by direct legislation, instead of allowing the same object to be attained by the reciprocal arrangement suggested."

RECIPROCITY AND THE ACT OF 1890.

We have now reached a period in the history of reciprocity when it was to be given practical application, out-

side of the usual form of prolix and uncertain treaty, and in the form of a specific enactment or declaration. The proposition, just above noted, to incorporate it as a policy in our Tariff laws, was at first received with misgivings by the most ardent friends of protection. They doubted the propriety of introducing it into strictly tariff legislation, lest it might endanger the success of such legislation, or at least subtract from the strength and efficacy of some of the protective doctrines.

But the matter was persistently urged upon the attention of those who had the Tariff Act of 1890 in charge. The more it was studied the more it grew in favor. The literature bearing upon it, the facts it embraced, the theories and promises involved, proved startling and convincing. The administration saw that it could well afford to accept it as a measure and abide by its consequences. Political lines began to harden respecting it, and the one party shrank not from its advocacy nor the other from attack upon it. Thus it ripened, and the Tariff Act of 1890 became its opportunity, not only as to time, but as to the fact that the contemplated enlargement of the free list, by the removal of millions of duties from sugars and other articles, would provide the concessions to other nations necessary for a fair and perhaps successful trial of it, in the proposed way.

At last it found its place in the pending Tariff Act—the Tariff Act of 1890—as Section 3 of the Free List. It reads:—

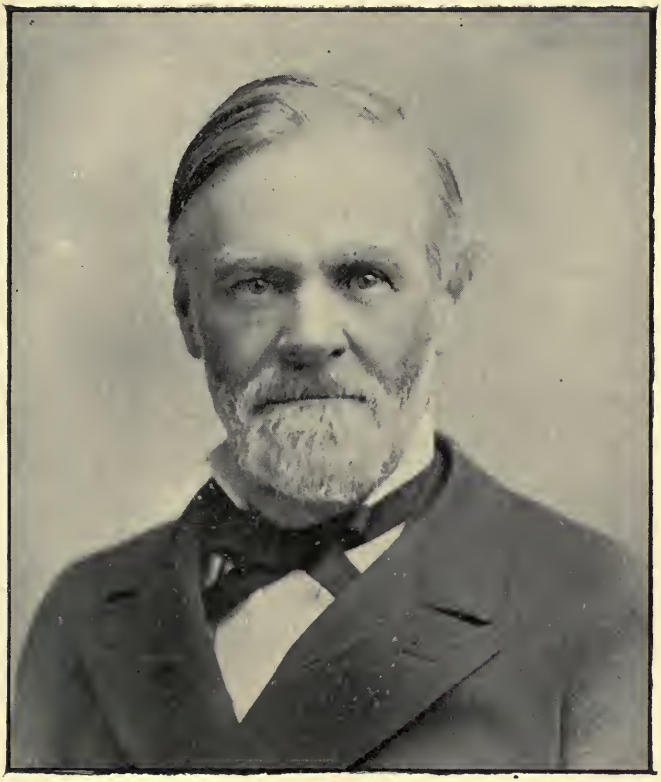
"That with a view to secure reciprocal trade with countries producing the following articles, and for this purpose, on and after the first day of January, 1892, whenever and so often as the President shall be satisfied that the government of any country producing and exporting sugars, molasses, coffee, tea, and hides raw and uncured, or any of such

articles, imposes duties or other exactions upon the agricultural or other products of the United States, which in view of the free introduction of such sugar, molasses, coffee, tea and hides into the United States he may deem to be reciprocally unequal and unreasonable, he shall have the power, and it shall be his duty to suspend, by proclamation to that effect, the provisions of this Act relating to the free introduction of such sugar, molasses, coffee, tea and hides, the production of such country, for such time as he shall deem just, and in such case and during such suspension duties shall be levied, collected and paid upon sugar, molasses, coffee, tea and hides, the product of or exported from such designated country, as follows:—"

Here follow the rates in detail, the rate on sugar being from 7-10th of a cent per pound to 2 cents per pound according to test; on molasses 4 cents a gallon; on coffee 3 cents per pound; on tea 10 cents per pound; and on hides 1½ cents per pound.

APPLIED RECIPROCITY.

By the middle of March, 1892 (March 15), all the countries of the American Continent south of the United States had either assented to the doctrine of reciprocal trade as incorporated in the McKinley Act of 1890, or had entered into negotiations which looked to a speedy acceptance of the doctrine, with the exceptions of Venezuela, Hayti and Colombia. The refusal of these three to join in reciprocity as offered by the Act of 1890 led to an event which marked the second stage of the reciprocity policy. Their refusal being complete, for the time being at least, President Harrison, under the powers conferred upon him by the Act, issued his proclamation to them, imposing on their sugars, molasses, coffees, teas and raw hides, exported to the United



HON. JOHN SHERMAN.

Born at Lancaster, Ohio, May 10, 1823; academically educated; studied law and admitted to bar, May 11, 1844; delegate to Whig National Conventions, 1848 and 1852; President of first Republican in Ohio, 1855; elected to 34th, 35th, 36th and 37th Congresses; elected, as Republican, to United States Senate, March, 1861; re-elected to same, 1866 and 1872; appointed Secretary of Treasury, by President Hayes, March, 1877, and served till March 3, 1881; distinguished for advocacy of resumption and success in refunding United States debt; re-elected to Senate for term beginning March 4, 1881, and again in 1886 and 1892; Chairman of Committee on Foreign Relations and member of Committees on Finance, Rules, etc.

States and entered at its ports, the duties provided for in the Act, which duties were, as to sugars and molasses, less than under the Act of 1883, or the Mills Bill, and amounted to three cents a pound on coffee, ten cents a pound on tea, and one and one half cents per pound on hides.

These duties, therefore, as to coffee, tea and hides, became really discriminative, for these articles were, and had been for a long time, upon the free list of the United States. They were ratably discriminative as to sugar and molasses, which articles had just gone upon our free list; but then, these three countries did not export sugar to the United States.

In order to meet this stage of the reciprocity policy, those who opposed it with the objection that the Act of 1890 was unconstitutional, as conferring upon the Executive powers which belonged wholly to the Legislative branch of the government, carried a test case into the United States Supreme Court. That tribunal decided that the power conferred upon the President by the Act was not unconstitutional, that the Congress had legislated as clearly respecting the duties to be imposed upon the products of dissenting countries as it had in the regular schedules of the Act, and that the only exceptional feature of the legislation, which was that the President should be left to ascertain the date when a country refused to accept reciprocity, was not fatal to the Act, since it was a fact only which had to be ascertained, and a fact which would have to be ascertained out of the State Department in any event.

At this stage, too, reciprocity met renewed and active opposition in the form of arguments as to its cost to the people of this country. The exports to the United States of the three dissenting countries were, in 1890, as follows:—

	Coffee.	*Hides.*
Venezuela	$9,662,207	$812,347
Colombia	1,849,441	630,099
Hayti	1,270,247	30,391
	$12,781,895	$1,472,837

Taking the above item of coffee, which represented an export of about 76,000,000 pounds, these opponents argued that this quantity of coffee, which was about fifteen per cent. of our entire annual supply—500,000,000 pounds—would, at three cents a pound, subject our people to a tax of $2,280,000 per annum.

To this the friends of reciprocity answered:—that if this duty of three cents a pound were levied upon these coffees it would prove not only discriminating but prohibitory, for these countries could not afford to compete with other coffee-growing countries in a market which was free to them. Therefore, in as much as no coffee could come to us from these dissenting countries, our people would have no duties to pay. But, said the opposition, in that event our annual supply of coffee will be reduced, and we will have to pay more for what does come. To this the answer was, that there is no market for those coffees except in the United States, and that as they would have to come here ultimately, the only condition upon which they could be marketed was by the payment of the duty by the producers; that is to say, they would have to throw off the duty in order to enter the market on the same footing as other countries. And the further answer was given, that even if these coffees never reached our market, the vacuum occasioned thereby would be only temporary, and would be speedily filled by Mexico, Central America and Brazil. As an assurance of this, it was pointed out that all the coffee-

growing countries, notably Brazil, that had accepted reciprocity, were already experiencing improvement in their industrial interests, and feeling the impetus of enlarged trade with the United States.

ACCEPTANCE OF RECIPROCITY.

This stage of the reciprocity policy had been anticipated by all the important sugar-producing countries, or a sufficient number of them to place ninety-five per cent. of our raw sugar supply under the regulation of reciprocity conventions. The Spanish West Indies, whence forty-two per cent. of our supply is derived, Germany, the British West Indies, Hawaii, the Philippines, San Domingo, Brazil, Austria-Hungary, France and colonies, Central America, Mexico, had either accepted reciprocity or called conventions for that purpose. Many of these countries had maintained high rates of duty against exports from the United States, some had imposed prohibitive rates, a few had forbidden altogether the entry of our products, American pork for instance, into their ports.

The concessions granted by these countries in their reciprocity conventions have resulted in opening their ports to a large class of the products of the United States, either by removing duties on them entirely, or by reducing said duties to a minimum. Germany, by her reciprocity agreement, admitted free, or at reduced rates of duty, American meats, fruits, cereals, furniture and farming utensils. France did the same thing, and so of the various countries whose commercial interests were touched by the enlargement of the free list of imports into the United States under the Act of 1890, and the introduction of the reciprocity policy as a provision of said Act.

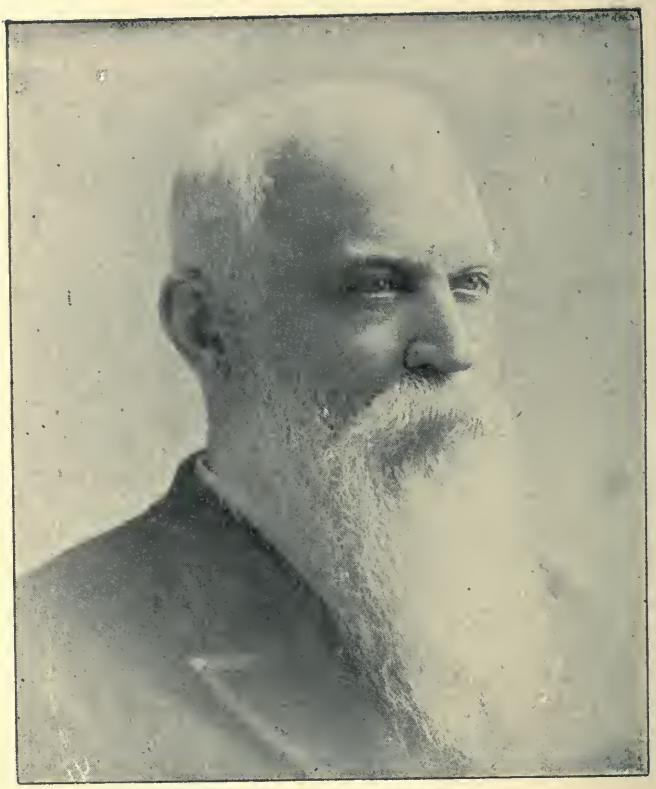
It will require some time to demonstrate by actual figures

the permanent effects of reciprocity on the commerce of the nations interested. But figures are already attainable which point to an increase of both imports to and exports from such countries. Brazil accepted the policy of reciprocity on April 1, 1891. In nine months time, that is up to the end of December, 1891, her imports to this country showed $79,183,238, as against $52,861,398 for the corresponding nine months of 1890; while the exports from this country to Brazil showed $11,555,447, as against $10,071,871 for the same months of 1891 and 1890 respectively.

The treaty with Spain, which mostly touched upon our commerce with Cuba, took effect September 1, 1891. In the four months, ending December 31, 1891, the imports from Cuba to this country were $14,956,868, as against $11,782,023 for the corresponding four months of 1890; while the exports to Cuba were $7,063,222 in the same four months of 1891, as against $4,816,029 in the corresponding months of 1890. This decided increase of exports to Cuba took place in the face of the fact that the very high duties imposed on American wheat and flour entering Cuban ports, amounting almost to the cost of production of these articles, or even their full market price, was not fully reduced to the minimum rate agreed upon in the reciprocity treaty, till January 1, 1892.

A FAIR TRIAL NEEDED.

Whether reciprocity be a step toward free-trade, as free-traders argue, or whether a step toward more rational protection, as protectionists argue, it ought to be given such a test as will forever settle it as a safe doctrine in the new political economy which the United States of America is engaged in writing for itself and the entire Western Continent. It ought to be so tried by the fires of actual experience as to consume it entirely as a commercial policy and



HON. WILLIAM M. STEWART.

Born in Wayne co., N. Y., August 9, 1827; attended Yale College, 1849–50; started for California and arrived May, 1850; engaged in mining; studied law in 1852; appointed District Attorney in 1853, and elected next year; appointed Attorney-General of California, 1854; located at Virginia city, Nev., 1860; engrossed in mining litigation and development of mining industry; member of Territorial Convention, 1861; member of Constitutional Convention, 1863; elected U. S. Senator, 1864 and 1869; resumed general law practice for Pacific States; re-elected to U. S. Senate, as a Republican, for term beginning March 4, 1887; prominent advocate of Free Silver Coinage; Chairman of Committee on Mines and Mining, and member of Committees on Apropriations, Claims, Irrigation, Territories.

practice, if false, or establish it permanently, if true. A misfortune attending its introduction is the fact that it has been subjected to the phases of opinion and to the partisan criticisms and arguments which characterize American politics. It is really far removed from mere parties and politics, and is a matter of truly national and international import, all of whose essential features are commercial and economic.

But whatever the verdict respecting reciprocity, when fully tested, may be, the fact of its incorporation into our statutes and of its introduction into our commercial polity, is a declaration on the part of the United States that it has reached a place among enlightened, industrious, rich and progressive nations where it is no longer sufficient unto itself. The immense pressure of commercial, manufacturing and agricultural interests drives us every day more and more forward and outward into rivalry with the old and great nations that have established their markets in all parts of the world, and especially with those that have been established upon our own continent and at our very doors. Rivalry of this kind has, in times past, assumed overshadowing, and often hostile, proportions among nations anxious to gain and hold trade supremacy. It is not too much to say that a large per cent. of the five million lives and fifteen thousand millions of treasure expended by civilized nations during the past century is chargeable to their efforts to enlarge and maintain their commercial interests. This is evidence of the magnitude and value of the prize sought, as well as the manner of seeking it.

FIRMNESS REQUIRED.

Happily for our civilization, reciprocity as incorporated in our statutes proposes only a peaceful solution of commer-

cial and economic problems and an amicable assertion of our industrial supremacy and independence, if such shall come to pass under, or by reason of, it. Yet there should be no closing of eyes to the fact that the rivalry occasioned by a step which bids fair to be as momentous as that of reciprocity is not without dangers. One has but to consider the feeling evinced by the nations of Europe when the policy of reciprocity was announced in the United States, to be convinced that they would not willingly forego the advantages of trade they enjoyed with the countries to the south of us, on this continent, but that they would struggle for them with all the arts known to diplomacy, all the ingenuity born of superiority, and all the finesse bred by ages of shrewdness and self-assertion. England, especially, seemed to have been impressed with the magnitude of the new departure on the part of the United States, and with her usual astuteness earliest foresaw its effects on her markets in Central and South American countries. Her press became bitter in its denunciations of the new policy, and when the difficulty with Chile arose, the same press made it all too plain that there was concerted effort on the part of English diplomats to crush out intercourse, commercial and social, with our continental neighbor. The United States could not have gone to war with Chile, except by fighting England, either openly, or under cover of deeply disguised diplomacy. The English idea of reciprocity being that it involves the principle of *lex talionis*, or the law of revenge —"an eye for an eye and a tooth for a tooth"—it would have been easy for her to find arguments or excuses for frustrating all our efforts toward more intimate trade relations with all South American countries. Our imbroglio with Chile made the fact almost patent that foreign nations stood ready to challenge our right to intrench on their com-

mercial domains by means of reciprocity, and their anxiety and attitude showed that they were more fully aware of the effects of reciprocity on their trade in these countries than even our wisest statesmen and shrewdest merchants had been.

WHAT EUROPE STRIVES FOR.

Heretofore, England, Germany, France and Italy had been struggling, neck and neck, for the markets of Central and South America, not to say Mexico. They had used every art and artifice known to diplomacy and commerce to head off rivalry and establish supremacy. They manufactured and priced and labelled with specific intent to occupy markets. They established lines of steamers, whose gauge and velocity were best adapted for intercourse. They subsidized ocean transit to secure dispatch. They founded banks and commercial houses. They loaned credit on most desperate securities. They sent drummers, agents and interested parties to prospect, persuade and represent. They formed huge syndicates which took possession of great interests, like the nitre beds, and worked them at immense profit. The result was that they came to own and control the markets of South America. The productions of these countries, destined for the United States, came here in the ships of Europe and by way of European ports, where they paid the rich bounty of ocean freight and the inevitable commissions for handling that the European merchant has ever been privileged to suck from the world's goods in transit. Two or three steamers a month sufficed to carry to these countries all they cared to take from us in the shape of our products. The bulk of what they had sold us—many times over and over again what we had sold them—was paid for in gold, through European houses, with another commission for handling.

Europe saw that every bill of goods we could place to our credit, in a South American port, would be deducted from her account. Hence her nervousness, her hostility. She could not, she would not, sit idly by and witness this inroad upon her trade, this disturbance of the commercial nests she had built in the Central and South American States. In affairs of this kind, and amid such conditions, affairs and conditions which concern only national pocket-books and national prestige, there is absolutely no sentiment, nothing to be hoped for from real or imaginary national condescension or sympathy. We must expect just what is sure to come, unless all history belies itself, to wit, the criticism, the antagonism, the counter efforts of the nations whose interests are touched and whose trade is threatened. We must even expect more, for conditions may arise, as they have not infrequently done, which shall require that we be prepared to hold at any cost what we have striven to obtain through ordinary diplomatic and commercial avenues, what is as much our right as a nation as it is the right of any other nation, what geographically speaking is more naturally our own than that of any nation across the sea, and what by similarity of political institutions and continental instinct is ours rather than a stranger's. It can be but a short while before the reflex action of reciprocity upon the American Republics becomes its most eloquent argument and surest guarantee of a permanent foothold. For it is destined to repeat in commerce the history which led to the Monroe Doctrine in diplomacy and politics. There may never be an American Bund, a distinctive Continental Commercial Union, but as the advantages of reciprocity with such a people as that of the United States, with a market the highest priced and richest in the world, with ports that are nearest and most accessible, come to be

fully appreciated by the American Republics, there will be such a consensus of commercial view, such a blending of trade interests, such a harmony of industrial instincts, as will surprise the older nations with its strength and efficiency.

COMMERCIAL EMANCIPATION.

When the "Monroe Doctrine," which was a broad hint to Europe that monarchical interference with the spirit of Republicanism in America might give occasion for a common cause on the part of the rising Republics against such interference, fell into seeming desuetude, it but required the French threat upon Mexico in 1864–65 to set aflame all the Republics of South America, and in Convention at Lima they made it quite plain that meddling of that kind with American affairs would result in united opposition, even to the verge of force. What, therefore, has become true in a political sense, will become equally true in a commercial sense. The year 1890 and the policy of reciprocity in American commerce are as much of a departure and as much the beginning of a continental era, looking to freedom and independence, as were the year 1824 and the Panama Congress, of which Congress Simon Bolivar said in his call:—"The day our plenipotentiaries make the exchanges of their powers will stamp in the diplomatic history of the world an immortal epoch. When, after a hundred centuries, posterity shall search for the origin of our public law, and shall remember the compacts that solidified its destiny, they will finger with respect the protocols of the Isthmus. In them they will find the plan of the first alliances that shall sketch the mark of our relations with the universe. What, then, shall be the Isthmus of Corinth as compared with the Isthmus of Panama?"

REVOLUTION OF 1892.

THE political situation which heralded the Presidential election of 1892 was one of the most satisfactory since the adoption of the Constitution. It was free from the doubts and suspicions that existed from 1787 up to 1812. It was free from the vacillations that characterized politics up to 1824. It was free from the intrigues and turmoils that carried the nation up to 1861. It was free from the exceeding gravity of armed strife and the intricate problems of national unity and honor which bridged the chasm between 1861 and 1884. Not that something of all that went before was not still involved, but that there was nothing on the surface to indicate a dangerous aggregation of the things which make people doubt and halt and shudder at what impended.

For some years the attitude of parties, the trend of political events, the course of administrations, had been shaping the issues which were to culminate in 1892. Therefore, they were not only not novel, but well defined and well understood by parties and their leaders. The field of play for supremacy had ascertained metes and bounds.

There was nothing to indicate that the personalism of candidates would cut any such conspicuous and disgraceful figure as they did in 1884. Nor was there anything to warrant the thought that partisanship of an acerb or offensive kind was to characterize the campaign. It was not a time which encouraged narrowness or bitterness. The issues were broad and concerned the people rather than parties. They went beyond organization and down to the

masses. Never had discussion such a fair and open field. Never had oratory greater demand. Never were auditors more numerous, attentive and serious.

The era of the cheer and the torchlight had passed. The era of listening and thinking had dawned. There was the unrest of independence. Time was conducive to campaign activities, but no party could calculate or claim results. All depended on prolonged, minute work, on vigorous agency, on persevering energy, on sincere and uncompromising devotion. Documents would have to be showered on the masses in profusion. Literary bureaus would have to pour forth their floods of persuasion. Expounders would have to unload their wisdom at every cross-road. Avenues would have to be provided for carrying the issues to every part of the body politic.

Nor was there a doubt that a main issue would be the tariff. On this the Democratic and Republican lines had been hardening for years, and especially since the tariff act of 1883. The passage of this act had led to Republican reverses, and the Democrats were emboldened to force their doctrines of tariff reform, or free trade, to an issue at the polls, so as to get a square verdict from the people. As preparatory to this, they had presented the Morrison tariff bill in the Forty-eighth Congress, with its horizontal reduction of twenty per cent. of duties, and had stood defeat on it. President Cleveland had come to the rescue of his party in his celebrated tariff reform message of 1887, and again the party encountered defeat. Not daunted by disaster, the Mills' tariff reduction bill was passed in the Fiftieth Congress, to be defeated in the Senate. Still undaunted, "pop-gun" methods were resorted to in subsequent congresses, with a view to accomplishing by items what could not be achieved by a general law. Meanwhile

a Republican opportunity came in the Fifty-first Congress, an opportunity encouraged by the fact that Harrison occupied the presidential chair. Though the majority in the House was small, it was determined to remodel existing tariff legislation and give the county a law which embodied existing Republican sentiment. The result was the McKinley tariff act of 1890, an abomination to the Democrats and an invitation to fresh attack.

This act was made the main issue of the campaign of 1890 for the election of members to the Fifty-second Congress, and in all the states for state officers. The result was astounding to both parties. The Democrats elected governors in many Republican States, and converted the small Republican majority in the House of Representatives into a two-thirds majority in their favor. But they did not deem it wise, or rather they did not dare to improve this pronounced victory. They defeated their logical candidate for the speakership, Mr. Mills, and frittered away an entire session in petty attempts to effect tariff reform by "popgun" methods. This nervousness and cowardice was however but a preparation for the campaign of 1892. The elections of 1891 had shown a reaction throughout the country, and it was patent that the verdict of 1890 had not been final. There must be another trial, under better auspices, and with a Presidential Candidate at the head of the ranks. Of the situation after the election of 1890, Mr. Carlisle said:—"If the result of an election in this country means anything, if the people by their votes actually pronounced judgment on the question submitted to them, the result of the recent one is undoubtedly an emphatic and conclusive condemnation of the tariff act and its kindred measures granting subsidies to private enterprises." This from one of the foremost and clearest-headed of Democratic

GROVER CLEVELAND.

leaders may be accepted as the judgment of the party, and the source of its determination to fight to the end on the lines laid down in that and previous campaigns.

It was thus that the campaign of 1892 shaped up as to the tariff. The Republicans were thoroughly committed to the McKinley act as an exponent of their doctrine of protection. The Democrats were as thoroughly in hostility to it, though they were not so fortunate as to have their opposition codified.

There were other issues of minor moment which the campaign could not hope to escape. One of these was the "Free Coinage of Silver." Though democracy was not an active unit on this issue, it had coquetted with it so long and so frequently in many states that, so far as state platforms went, it was committed to "Free Coinage." In this commitment laid the secret of that after-discovered devotion to, that drift toward, and that affiliation, in certain sections, with the element of unrest and socialistic tendency which had its origin in the Farmers' Alliance, and which subsequently took the active political form of Populism. The party had also taken a national stand on this question, if its votes in the Congress signified thus much. It had championed the Bland compulsory coinage act of 1878 in the House, even over a Presidential veto. In the Forty-fifth Congress the party defeated the efforts of the Republicans to repeal the act authorizing the coinage of Bland dollars. In the Forty-sixth Congress the party passed the Warner silver bill which provided for the unlimited coinage of silver. It paid no attention to President Cleveland's advice to stop the coinage of Bland dollars. It antagonized the Sherman act of 1890 which did away with compulsory coinage. It supported the free coinage bill which Mr. Bland introduced into the Fifty-second Congress, though enough Democrats finally

went to the Republicans to defeat it. This bill was a test of Democratic intention and principle. Its design was to make the coinage of silver free like that of gold. It was confidently introduced and advocated with the hope that it would re-monetize silver, and give to the owner of every seventy cents worth of silver bullion brought to the mint a stamped and guaranteed silver dollar. It was the delight of silver miners. It answered all the arguments of those who saw in a cheap currency a panacea for the inconvenience of debts and the ills of hard times. It was believed to be so purely Democratic, so much in accord with the demand of State platforms, so in line with the trend of Democratic sentiment for at least ten years, that its defeat came like a thunder clap, and left a wake of animosities which would plague the sea of Democracy for a long time.

The issue of a full and fair expression by ballot came into the campaign, more by moral than political direction. This was an issue which the Republicans had sought to incorporate into an act, in that measure which its opponents characterized as the "Force Bill." This measure had encountered defeat, chiefly through defection in the ranks of its friends. While, therefore, it was not such a distinctive campaign measure as some others, it had the support of a powerful contingent in the Republican party, and no doubt reflected the better sentiment of the party and, for that matter, of all parties, as fully as any completely formulated issue.

There was but one other issue of vital moment and that was economy. The appropriations of the Fifty-first Congress had approximated a billion dollars. Though this was not a large increase over prior appropriations, and though much of it was rendered necessary to cover deficits created by Democratic Congresses, the roundness of the figures and the necessity for a battle cry caused it to be eagerly siezed

upon and boldly projected into the campaign. When all other arguments failed to elicit attention or gain applause Republican extravagance was drawn upon to fill the chasm. Happily for this grade of argument a subsequent Congress, thoroughly economic and so largely Democratic as to be almost entirely responsible for appropriations, had not yet made a reputation for still larger appropriations.

Senator McMillan of Michigan thus summed up the issues of 1892:

"There are three question now uppermost in the public mind, and which must continue so long as opinions respecting them differ so widely. These three are the tariff, the finances and the franchise."

The Hon. Benton McMillin of Tennessee said, the following will be the issues separating the two parties in 1892:

(1.) "Shall there be reckless prodigality or wise economy in public expenses?"

(2.) "Shall the people remain free, or be enslaved through 'Force Bills,' by turning the elections of the Legislative branch of the Government over to the Judicial?"

(3.) "Shall the people be robbed and commerce be destroyed by excessive rate of duty?"

Hon. R. P. Bland of Missouri said: "Undoubtedly the question of Tariff Reform will be the most absorbing issue in the coming Presidential campaign. But it will not be the only question. The Republican "Force Bill" has put in jeopardy home rule and local self-government. The money question in the shape of free coinage of silver will not down at the bidding of either party."

The Hon. Eugene Hale of Maine thus summarized the situation:—"The Republican party began furnishing the issues for Presidential elections in 1856 and will furnish them for 1892.

"The doctrine of Protection will have a front place in the contest, and will be enlarged and popularized by its new ally, reciprocity.

"A sound, stable currency, maintaining gold and silver at par, and utilizing both metals, will be another issue.

"The restriction of criminal and pauper immigration is another issue.

"The encouragement of American steamship lines by judicious subsidies, and the rebuilding of the Navy will constitute another issue.

"If we cannot prevail with these issues, the party may as well go out of business."

Governor William R. Merriam of Minn., thus stated the issues:—"The Republican party must stand by two important questions now under consideration, and already assumed as party principles. I refer to the question of free coinage and the policy of protection. I name them in this order, because I look upon the financial question as the most important at stake."

It will thus be seen that the political issues of 1892 were clean cut and well understood. They would be softened or intensified according to the choice of leaders. Who these were to be was fairly clear at an early date. The Harrison administration had been a full and frank commitment of his party to one side of the above issues, and had indeed so shaped and solidified them that he stood forth as their logical exponent and as the natural choice of their friends in the different sections of the country. While he had incurred the enmity of some of the party leaders he had, nevertheless, given the country an exceedingly pure and able administration. He had been fortunate in his cabinet officers, and both American and progressive in his state papers and executive methods. As to his foreign policy, he had success-

BENJAMIN HARRISON.

fully applied the "Monroe Doctrine" in the Samoan difficulty; had pushed the "Behring Sea Question" to a peaceful and practical conclusion; had handled the intricate problems with Italy, rising out of the massacre of Italians in New Orleans, so as to preserve peace, satisfy the offended country and preserve the dignity of his own; had carried the nation safely through the mazes of the Chilian imbroglio; and in fact had shaped and established a foreign policy which met with the widest popular reception.

He had stood firmly by his party in executing its protective policy as embodied in the tariff act of 1890, and especially as to that new feature of it, the reciprocity clause, the burden of whose interpretation and application fell, by the terms of the act, on executive shoulders. Numerous treaties were entered into with countries under the reciprocity provisions, and with the satisfaction of seeing new markets open and an increased commerce spring up as the principle of reciprocity contemplated.

The Government finances had been handled at all points in a satisfactory manner. One quarter of the entire interest-bearing debt had been paid off, with a saving in interest of $55,000,000. Both the amount and cost of collecting internal revenue had been greatly reduced. The large additions to the free list made by the McKinley bill, and the loss of $50,000,000 of duties on sugar alone, had not reduced the income of the Government below its economic needs. Foreign commerce was never more active, as the imports and exports showed. Domestic industry reached its greatest height of activity. Labor was never more fully employed or better paid, nor capital and enterprise more confident and buoyant. American credit never stood higher at home and abroad.

It could hardly be otherwise than that the choice of the

Republican convention which met at Chicago on June 7, 1892, should fall on one who had proved so masterful a leader for nearly four years, and who had acquired so high and wide a confidence for business-like methods. True, the opposition which first became overt in Pennsylvania, and which sought to use Mr. Blaine as a means of crushing Mr. Harrison, gradually assumed portentous proportions, and was given an unexpected boost by Mr. Blaine's resignation from the cabinet, but by the time the convention was fairly under way it was ascertained that Mr. Harrison's friends were in a majority and could hold their forces against any possible combination in the interest of another candidate. They therefore resolved to force the fighting and on the fourth day secured a ballot. Mr. Harrison received a majority of the votes cast on the first ballot, the vote standing Harrison 535½; Blaine 182½; McKinley 182; with several scattering.

The convention then published its code of principles in an elaborate platform embodying the issues already presented, as likely to be the dominant ones. The code reaffirmed the "American doctrine of Protection" and called attention to its rapid growth abroad. It maintained that the prosperous condition of the country was largely due to the wise revenue legislation of the Republican Congress, and that no articles which can be produced in the United States, except luxuries, should be admitted free of duty, but that all imports coming into competition with the products of American labor should bear a duty equal to the difference between wages abroad and at home. It further maintained that the prices of articles manufactured for general consumption had been reduced since the tariff act of 1890 had gone into operation. An appeal was made to the judgment of the people over Democratic efforts to destroy the

tariff laws, as shown in their recent attacks on wool, lead and lead ores. Attention was confidently called to the success of reciprocity in extending our export trade and opening up new and enlarged markets for the products of farms and workshops; also, in giving early promise that under the operation of such law we should again control the trade of the world.

As to the much mooted "Silver Question," the platform spoke in unequivocal terms. It said:—"The American people from tradition and interest favor bimetalism, and the Republican party demands the use of both gold and silver as standard money, with such restrictions and under such provisions, to be determined by legislation, as will secure the maintenance of the parity of values of the two metals, so that the purchasing and debt-paying power of the dollar, whether of gold, silver, or paper, shall be at all times equal. The interests of the producers of the country, its farmers and its workingmen, demand that every dollar, paper or coin, issued by the government shall be as good as any other. We commend the wise and patriotic steps already taken by our government to secure an international conference, to adopt such measures as will insure a parity of value between gold and silver for use as money throughout the world."

A demand was also made for a free and unrestricted ballot at all public elections; Southern outrages were denounced; extension of foreign commerce was favored, the restoration of a merchant marine by means of home-built ships, and the creation of a new navy for the protection of our national interests and our flag. The "Monroe Doctrine" was re-affirmed, and a demand made for more stringent laws relating to immigration. Trusts were denounced; interstate commerce laws favored; extension

of the free-delivery system of letters advocated; the civil service system commended. The platform concluded with planks in favor of the construction of the Nicaragua Canal, World's Fair, the Pension System and the Administration.

Mr. Harrison was duly notified of his nomination, and in course of time wrote and published his letter of acceptance, thus fixing more firmly the issues of the hour, which were in entire accord with the national platform and altogether acceptable to the party at large.

Meanwhile the Democratic situation had proved to be most interesting. Whether in the midst of professional life in New York, or in the quiet of retiracy at Gray Gables, Mr. Cleveland had never lost his hold on the affections of his party, nor his influence with that large Republican contingent which came to be grouped under the rather indefinite, yet fantastical title of "mugwump." At no moment after his defeat in 1888 did he cease to be the idol of friends nor fail in identity with the cardinal principles of Democracy. With him the verdict of 1888 was never regarded as final, and there had never been an hour since when he was not regarded as an available Presidential candidate for 1892. There was no other exponent of the views which he had originated during his former administration, views which had suffered disaster in 1888, but which after two years of delay had found vindication in 1890. He indulged the thought that 1888 had been a drawn battle, and that 1892 was necessary to prove his originality as a thinker, his wisdom as a statesman, and his probity as a ruler.

While by no means a seeker after nomination, there was a magic about his name, and a spell operating in his behalf, which drew from minor conventions resolutions directly in his favor as a candidate, or paying him glowing tributes.

The Democratic National Convention met at Chicago, June 21, 1892. It opened with friction, occasioned by the opposition of Tammany Hall to Mr. Cleveland's nomination, and the fact that Senator Hill, of New York, had early announced his candidacy, and had stolen a march on his rival by "snap" conventions throughout the State. These things served to distract the hitherto pervasive thought that Mr. Cleveland's nomination could be effected by acclamation. They showed that nomination must come about through a regular marshalling of forces, and a wise generalship.

When the Convention assembled, and the situation became clear by an alignment of forces, it was manifest that nothing could shake the strength that supported the Cleveland standard. It was spontaneous, enthusiastic, resolved. It had lost valuable points in the committee rooms, and in the selection of a temporary chairman, but in this it had shown the wisdom of concession rather than the semblance of weakness. On the second day of the Convention nominations and balloting were reached. Applause and eloquence attended the nominations of Hill, of New York, and Boies, of Iowa, but these were as nothing compared with the manifestations which attended the nomination of Mr. Cleveland. The prime rules of generalship required a show of hands on the instant, and balloting began. The first ballot resulted in the choice of Mr. Cleveland by a vote of 617½ to Mr. Hill's 115, and Mr. Boies' 103, with several scattering.

The logic of the situation was well expressed by Governor Abbett, of New Jersey, in his nominating speech. "Why," he asked, "is it that the masses of the party demand the nomination of Grover Cleveland? Why is it that this man who has no offices to distribute, no wealth

to command, should have stirred the spontaneous support of the great body of Democracy? Why is it with all that has been urged against him, the people still cry, give us Cleveland? Why is it, though he has pronounced in honest, clear and able language his views upon questions over which some of his party may differ with him, that he is still near and dear to the masses?

"It is because he has crystallized into a living issue the great principle upon which this battle is to be fought out. If he did not create tariff reform, he made it a Presidential issue. He vitalized it, and presented it to our party as the issue for which we ought to fight and continue to battle until upon it victory is now assured."

The repudiation, by the Convention, of a conservative Tariff and Labor plank, as reported in the platform by the Committee on Resolutions, and the adoption, by overwhelming vote, of a substitute so radical as to force the conviction that it would endanger the success of the party, even if it were not designed as a blow at Mr. Cleveland's prospects, showed that the battle of the campaign was to be a close and direct engagement between the forces that looked toward free trade and those bound to uphold protection. There was to be no shirking of a square issue by Democracy, no further temporizing with situations, no more glossing of principles with words, no cessation of conflict till triumph was complete, if the platform meant what it said.

It is not enough to say that the language of this plank was unprecedentedly strong. It was both denunciatory and defiant. It ran:—"We denounce Republican Protection as a fraud—as a robbery of a great majority of the American people for the benefit of a few. We declare it to be a fundamental principle of the Democratic party that the

Government has no constitutional power to impose and collect a dollar of tax except for purposes of revenue only, and demand that the collection of such taxes be imposed by the Government when only honestly and economically administered. We denounce the McKinley Tariff law enacted by the Fifty-first Congress as the culminating atrocity of class legislation. We endorse the efforts made by the Democrats of the present Congress to modify its most oppressive features in the direction of free raw materials and cheaper manufactured goods that enter into general consumption, and we promise its repeal as one of the beneficent results that will follow the action of the people in entrusting power to the Democratic party. Since the McKinley tariff went into operation there have been ten reductions of wages of laboring men to one increase. We deny that there has been an increase of prosperity to the country since that tariff went into operation, and we point to the dulness and distress, the wage reductions and strikes in the iron trade as the best possible evidence that no prosperity has resulted from the McKinley Act."

Every other issue, as gauged by the platform—that relating to the Force Bill, to Reciprocity, to Trusts, to Republican methods of disposing of the public lands, to silver coinage, to the repeal of the tax on State banks, etc., etc.— was presented in true platform style, that is, was worded conservatively or evasively, and so as to be susceptible of interpretation according to circumstances as they might arise, excepting only that relating to the repeal of the ten per cent. tax on State Bank circulation, which was emphatic. The cardinal feature of the platform, its supreme intent, was antagonism to protection, and the campaign was to hinge on this issue. Every existing condition encouraged to this form of conflict and bespoke its

timeliness from a Democratic point of view. As an issue presented by Mr. Cleveland in 1887, but never so fully formulated as now, and never so squarely drawn, it had been time and again thwarted by public sentiment, yet had as often been on top. Its defeat in 1888 had carried down Mr. Cleveland and proved the opportunity for the McKinley law, yet the overwhelming Democratic victories of two years later had been almost wholly credited to the said issues. There was labor discontent of a certain kind, whose chief manifestation was in the Homestead strike, a strike of great violence, and one whose sequel proved to be full of surprises, in that it revealed, upon Congressional investigation, a scale of wages and a state of facts that disrobed it of occasion, even if it did not disarm it of justice. Still there was enough in it, at least as to time, to base the bold assertions of the platform upon, and to render lurid what might have been otherwise tame in campaign oratory.

It was a period of industrial adjustment to the operations of the McKinley Act. As yet but little could be proved for the act in its special workings. Most of the argument in its favor would have to be general, or based on hurredly prepared statistics. The enemy, therefore, could occupy the field of detailed attack without fear. They could hurl theories and assertions indiscriminately. Conjecture would answer all the purposes of argument, and prophesy all the purposes of proof.

Again, the timeliness of the proposed battle against protection was foreshadowed by that peculiar vein of discontent which had been gathering force for some years, and had found coherent expression in the Ocala platform of the Farmers' Alliance. This pointed to a new factor in politics, whose locality and sentiments must prove a source of weakness to the Republicans. True, it might prove dan-

gerous to the Democrats, for the Alliance had pervaded the South. But Democratic discipline was such in the Southern States, as that danger of disruption was reduced to a minimum. It was not so, however, in the Northwest, where Republican discipline had been broken, and where the discontent was even more rife than in the South.

This new factor assumed definite shape at Omaha, on July 4, 1892, two weeks after the Democratic Convention, under the title of the "People's Party," which gradually passed to the title of "Populists." It proclaimed the honorable intention of starting for itself and of antagonizing both the existing parties, at least it said in its platform, "We have witnessed for more than a quarter of a century the struggles of the two great political parties for power and plunder, while grievous wrongs have been inflicted upon the suffering people. We charge that the controlling influences dominating both these parties have permitted the existing dreadful conditions to develop without serious effort to prevent or restrain them. Neither do they now promise us any substantial reform. They have agreed together to ignore in the coming campaign every issue but one. They propose to drown the outcries of the plundered people with the uproar of a sham battle over the tariff, so that capitalists, corporations, national banks, rings, trusts, watered stock, the demonetization of silver, and the oppressions of the usurers, may all be lost sight of."

But in spite of this profession of independency, it unconsciously amplified Democratic doctrine, and in many instances almost repeated Democratic assertion, in another part of its platform, which reads:—"We meet in the midst of a nation brought to the verge of moral, political and material ruin. Corruption dominates the ballot box, the legislatures, the Congress, and touches even the ermine of

the bench. The people are demoralized; most of the States have been compelled to isolate the voters at the polling places to prevent universal intimidation and bribery. The newspapers are largely subsidized or muzzled; public opinion silenced; business prostrated; our homes covered with mortgages; labor impoverished; and the lands concentrated in the hands of capitalists. The urban workmen are denied the right of organization for self-protection; imported pauperized labor beats down their wages; a hireling standing army unrecognized by our laws, is established to shoot them down, and they are rapidly degenerating into European conditions. The fruits of the toil of millions are boldly stolen to build up colossal fortunes for a few, unprecedented in the history of mankind; and the possessors of these in turn, despise the Republic and endanger liberty. From the same prolific womb of governmental injustice we breed the two great classes—tramps and millionaires."

While the dominant thoughts of the platform were free and unlimited Coinage of the precious metals, a graduated income tax, and the nationalization of corporate service, the last two of which are found in the platform of the National Socialists of the same year, the spirit of its declarations and recitals was almost identical with that which Democracy had hoped to successfully invoke in the strong language of its platform, and conjure with it in its campaign.

Of the other elements that enter into the battle of 1892, the Prohibitionists and National Socialists need not be more than mentioned. However earnest, they were not numerically strong enough to affect the results.

As the period for active battle approached it was seen that such a perfect alignment of forces as had been anticipated, or was desirable, was well nigh out of the question.

Mr. Harrison's letter of acceptance, dated September 3, 1892, gave to Republicanism its definite campaign bearings, and mapped its lines of aggressive action. It reviewed the achievements of the Republican party since the Civil War, and showed how its greatest triumphs and best settled principles, especially as they related to the national currency, to ocean commerce, to the doctrine of reciprocal trade, to internal industries, to home and foreign policies, were directly antagonized by the declarations and intentions of Democracy. He then marshalled the figures at command, which as yet were all too sparce, showing how the new tariff act of 1890 had already decreased the cost of articles of necessity which were in competition with the same class of foreign articles; how there had been an increase in the price of farm products owing to an extension of commerce under the reciprocity treaties; how wages had advanced on an average of nearly one per cent.; and how the general operations of the act were upholding it as a brave attempt on the part of a patriotic and highly industrial country to rid its people of foreign monopoly on such important productions as tin-plate, pearl buttons, silk plushes, linens, laces, etc. etc., and establish complete commercial, manufacturing and agricultural independence. The document also reviewed the questions of bimetallism, of "A free ballot and fair count," of the Civil Service, of the Nicaragua Canal, of immigration, and of the existing foreign policy of the Republic, and explained fully the attitude of the Republicans respecting each of them. It concluded with a strong contrast between the Democratic "program of demolition" and the Republican policy of "safe progression and development." The paper was distinctly in line with the party platform, and equally in keeping with the course of the existing administration. It was eminently satisfactory

to the party leaders and to the rank and file, and offered what was considered as an impenetrable front to the enemy.

After some delay, Mr. Cleveland's letter of acceptance appeared on September 26. It reviewed at length the Republican dogma of protection, treating it as a form of federal taxation for the "express purpose of promoting special interests and enterprises;" as "a system directly antagonized by every sentiment of justice and fairness of which Americans are pre-eminently proud;" and as imposing a harder home life upon our farmers and workingmen, while it invited to extravagance and corruption in political affairs. The review of this important issue, was, thus far, along the lines of the Chicago platform, but then came a national modification of the bolder platform utterances. "Tariff reform is still our purpose," the document averred. "Though we oppose the theory that tariff laws may be passed having for their object the granting of discriminating and unfair govermental aid to private ventures, we wage no exterminating war against American interests. We believe a readjustment can be accomplished in accordance with the principles we profess without disaster or demolition. . . . We will rely upon the intelligence of our fellow countrymen to reject the charge that a party comprising a majority of our people is planning the destruction or injury of American interests, and we know they cannot be frightened by the spectre of impossible free trade."

The paper then went on with a review in brief of "Free Elections," the gold and silver question, Civil Service reform, pensions, immigration and the World's Fair, from the usual Democratic standpoint. It was received as an ably conservative paper, and one likely to set a style of campaign which would be safer than that prefigured by the

radicalism of the platform. Wherein it proved distaseful to the element that had triumphed in the Convention—an element that could be trusted for its fidelity to party under any circumstances, it proved gratifying to those on whom party allegiance sat more lightly, and especially to that floating contingent which regarded Mr. Cleveland as stronger than his party, and which trusted more to his personalism for victory than to argument or oratory.

It remained for General Weaver, the Populist candidate, to close the lines of conflict by his letter of acceptance. He followed closely the utterances of his party platform by announcing that "The people are in poverty. Their substance is being devoured by heartless monopolists, trusts, pools and money sharks. Labor is largely unemployed, and where work is obtainable the wages paid are for the most part unremunerative and the products of labor not paying the cost of production." Then the paper showed how the leaders of the dominant parties were under the control of monopoly and the money centers, and how they neglected the problems evolved by the growth of the last quarter of a century. In the midst of their sham battles the work of spoliation and robbery went on, and farmers and wage-earners everywhere were proscribed, maltreated and brought into competition with convict labor. Then followed an attack upon dishonest elections and an invocation to all to enlist under the banner of "this great industrial and fraternal movement," which had for its object a "revival of business," "relief of depressed industries and wage workers," "increase of the currency and the free coinage of silver," "abolition of banks of issue and constitutional control of the great instruments of commerce by the United States," "equitable adjustment of taxation to property;" "the holding of the public domain in trust for

the people," "the rendering of the highways between the States subservient to the general good," "the restoration of fraternity and the obliteration of sectionalism."

This paper did not lack in fire and boldness, and proved highly acceptable to all who were nursing the spirit of unrest, and longing for that halcyon time when the old order of things should have passed away and been succeeded by that system of Communism which is best described as Nationalism.

As thus shaped, up the various forces plunged into the campaign of 1892. The campaign may be characterized as one of peculiarities from beginning to end. It bade fair to be a campaign of excitement, yet it proved to be comparatively subdued. Its initiative had the elements of bitterness in it, yet it was free from personal aspersion and from the usual rancor of party conflict. The Democrats entered it with the confidence inspired by the remarkable victories of 1890, which had involved in one form and another, and as suited the respective localities, the very questions respecting the tariff and free-trade which they now intended to press to a final issue. They had now but to repeat the assertions and arguments of the former year, and to intensify them by draughts on the imagination, in order to bring about the same results. Everywhere in the South they could supplement economic argument by appeals to the feeling which existed against any attempt on the part of the Government to enact laws looking toward a "free ballot and fair count" in Congressional elections. So, everywhere throughout the Country, the judicious fanning of the spirit of unrest, the broadening of all chasms, real or fanciful, between labor and capital, the sedulous cultivation of that dormant and inexplicable desire for a change, which general apathy both revealed and encouraged, brought untold recruits directly to the Democratic stan-

dards, diverted them indirectly to the Populists, or rendered them sullen and unenthusiastic within the Republican lines. They had in Mr. Cleveland a powerful personalism, representative of the masses rather than the leaders. He was as one born under a lucky star, and his leadership operated as a presage of victory. It is doubtful if ever a party entered a campaign so fully equipped with confidence. It clung to this confidence throughout, though, as we shall see, it gave reasons for believing that it was more assumed than real.

The Republicans had an equally strong personalism in President Harrison, and the advantage of a pure and able administration. They stood squarely on their record and platform, except in the respect that they weakened on the question of a "free ballot and fair count," and drove home upon their opponents the issue of protection, of standard bimetallic dollars and of opposition to a wild-cat currency. They were, throughout the Campaign, as confident as their opponents, though it was a confidence inspired rather by the thought that the prosperity of the country and the unassailability of their arguments rendered them impregnable, than by the amount of enthusiasm they could stir. Whatever the energy of the leaders during the campaign, however invincible the arguments, inspirational as may have been the confidence, there never was a time during this very peculiar campaign when the lack of enthusiasm among the Republican masses did not occasion eager inquiry as to the cause.

The Populists pushed their Campaign with vigor, especially in the Northwest, where they made such inroads on the Republican organization as to lead to the hope that they might be instrumental in sweeping several States from their old party moorings. Yet, of this they could at no time have been fully assured, judging from the sequel.

It had been all along conceded by the dominant parties, that, as of old, the real battle-ground between them was the States of New York, Connecticut and New Jersey. This was but natural, not only as other presidential battles had gone, but because the issues at stake were vital to these States. But neither party had as yet fully counted on the magnitude of the Populist movement. It had a direct energy in certain States which had been discounted without fear by the Republicans in their calculations, and an indirect energy in numerous other States which was really the cause of a lack of Republicanism.

And now came that period in the Campaign when the Democrats either through alarm, or by virtue of a judgment that good politics did not require them to hinge a verdict on almost a single Eastern State, resolved upon the policy of affiliation with the Populists. This policy had been adopted by several of the State organizations with every show of success. It remained for it to be tried in a National sense, and the overtures proved mutually agreeable. If successful in this sense, Democracy could look with complacency on the loss of one or more, or perhaps all, of the doubtful Eastern States, yet not suffer defeat, for the loss would be more than compensated by the loss of Republican and gain of Populist electors in other places. So the alliance was engineered and perfected. The Democrats practically withdrew from the contest in many of the States of the Northwest, agreeing to give the field entirely to the Populists, or else pledging them direct support; the Populists doing the same where the Democratic chances were stronger. These alliances were accepted by the National Committees, and with a joining of forces came a joining of material aid and even of speakers, not to mention that complication of pledges and promises for future party recognition and personal

advancements which have since scandalized and tortured the participants in the deal.

The crucial day came, and the result was one of the greatest surprises in modern American politics—a surprise in which all parties joined. The quietude, not to say apathy of the campaign, led to a vote far below what had been counted on. The grand total was but little beyond that of four years before, yet it was one fraught with marvellous changes, and it was apparent that the strength of the Populists had been furnished chiefly by the Republicans. The figures were

	Harrison	Cleveland	Weaver
1888.	5,438,157	5,535,626	
1892.	5,126,418	5,545,227	1,125,842

The elements of unrest throughout the country, and to an inordinately large extent the labor which had looked to protection as a means of sustaining wages, had gratified their desire for a change, and had brought about a political revolution, whose consequences had never entered into previous calculations. The Populists actually carried four States, had contributed to Republican defeat in others, and had greatly encouraged the idea that they were to become a permanent factor in American politics, with the elimination of one or the other of the dominant parties. The defeat of the Republicans was far more decisive than was the victory of the Democrats, for the latter hardly knew how to compute the extent or weigh the import of their alliances. Their confusion in the midst of triumph almost choked the voices of joy, and a calm after-view of the situation was appalling rather than gratifying. The glory of their victory had been somewhat dimmed by a reduced majority in the House of Representatives, but this

was compensated by the hope that when the fog of battle lifted they would have a majority in the Senate, and thus full control of the Government for the first time in thirty odd years. This hope was realized, for, after all disputes were settled, they could count on a majority of five Senators, with the probable support of five Populists.

President Harrison's term ended in the usual quiet way after a party reverse. The last session of the Fifty-second Congress did but little except to indulge in some frantic and useless efforts to repeal the Sherman Silver Act of 1890. Perhaps the most notable event of the Session was the submission of President Harrison's message, which abounded in striking contrasts of the existing state of the country with that of 1860, and which was evidently intended to take advantages of such contrasts as the future might reveal.

THE COUNTER REVOLUTION OF 1893.

Scarcely had the presidential vote of 1892 been counted and announced, when there was manifested an intuitive recoil from the result. It would be difficult to diagnose exactly the condition of public sentiment. It was clearly not satisfied with its own verdict. Doubt seemed to haunt the minds of those who had contributed to the revolution as to the wisdom of their action. They had evidently struck a more radical blow than they intended. They had made a change, but the idea began to dawn that change just for change carried no guarantee of better things. They had changed from a tried party, which they knew, to one whose stock in trade was an aggregate of promises, not to say of negatives on existing things. True, these promises were bold and these negatives positive, yet to realize them might not the country have to undergo another revolution of a material kind whose hardship and expense would prove a

poor compensation for the results to be obtained? Was not the triumphant party, it to which the usufruct of victory belonged, handicapped by its alliances with discontent, and would it be free to act out its individual program of principles? Even if it were, what was there, after all, to be gained by a destructive tearing down of old and a doubtful building up of new conditions? And so, as one doubt after another arose, one question after another was mentally asked, till the unrest after victory was equal to that before victory.

Every contribution to the situation made by the victors, augmented the unrest and anxiety. The choice of a premier by Mr. Cleveland showed the nature of the contract with the Populists. The choice of the rest of the Cabinet revealed the intensity of his personalism. Could dominancy in the party, as it was shaping up, escape the charge and the inevitable fate of sectionalism? What was there in the revelations of time to reconcile the new situation to the large vital interests of the country?

The ceremonies of inauguration had not been gone through, the oath of office had not been taken, no definite policy of administration had been shaped, till the demon of unrest was abroad in the money centres, in the walks of manufacture and business, and down to the very depths of the laboring classes. They who had cried loudest for opportunity in 1892, cried louder in 1893. Before, there was the sullenness of indifference or the clamor of disquietude; after, there was no little of the bitterness of self-dissatisfaction mingled with the anger of anticipated disappointment. Whatever the sentiment may have been, and however described, it was far more emphatic in 1893 than in 1892. Indifference had given way to earnestness. The non-voter became a voter.

The year of crisis and panic is described elsewhere in this volume. The common schools of politics had never been so wide open before. The object lessons on the black-boards of experience had never been more vivid. There was nothing national at stake in 1893, but the currents of sentiment seemed to form as spontaneously and to flow as swiftly as though some universal principle needed instant espousal, or some impending danger needed thwarting. The revolution of 1892 lacked deliberation. It came suddenly, and seemingly in spite of itself. It was a happy combination of causes whose origin and computation defied political arithmetic and whose results outstripped the wariest political judgment. The revolution of 1893 came quietly, swiftly, and with the solemn weight of premeditation. It savored not of indifferentism, nor of inert sullenness, nor of whim, but of solemn conviction. It was as if something had been done which had to be condoned. Considering the fact that three factors entered into the revolution of 1892, that of 1893 was marked in its simplicity and striking in its emphasis. It was a far more formal protest than that of 1892, expressed a wider extent of dissatisfaction and a greater dread of danger. The reaction carried Republican States, that had been lost in 1892, back to their moorings with the largest majorities in their annals. Democratic States like New York and New Jersey were swept by the Republicans by majorities which were surprises to both parties. The intensity of the counter revolution led to the belief with some and the hope with others that its force must be only momentary. But the spring and early summer elections of 1894 confirmed the sentiment which brought it about. In Oregon the Republican vote outnumbered that of Democrats and Populists combined. A judicial election in Illinois turned a confirmed Democratic circuit into a Republican

one by an impressive majority. Rhode Island changed her political complexion entirely.

And as the days of 1894 passed, nothing evolved to stay this reaction or change the course of this counter-revolution. It was given impetus by the President's foreign policy. His financial policy increased its headway. The tedious wrangles and unseemly scandals attending the new Tariff bill added to the strength of its current. A strange fatality seemed to preside over the situation, which defied every art of exorcism at the command of those whom the country held responsible.

THE COMMERCIAL AND INDUSTRIAL CRISIS.

THE opening of the second and final session of the Fifty-second Congress, on Dec. 5, 1892, gave to President Harrison his last opportunity for formal review of his administration, and for full presentation of the condition of the country as that administration drew near its close. His message was soon to have a significance far beyond common for the contrasts it would afford. Its exact figures were to stamp a situation so indelibly on the minds of readers that any wide departure from it would be quickly noticed. After advising the Congress to which it was addressed to accept the verdict of the country and throw over the responsibility of tariff revision, as well as all other issues of vital moment involved in the campaign, upon the administration which had been chosen in accordance with the last wishes of the people, he presented a series of comparisons, which, in view of what was soon to transpire, assumed all the value of historic contrasts. He said :—

"In submitting my annual message to Congress, I have great satisfaction in being able to say that the general conditions affecting the commercial and industrial interests of the United States are in the highest degree favorable. A comparison of the existing conditions with those of the most favored period in the history of the country, will, I believe, show that so high a degree of prosperity and so general a diffusion of the comforts of life were never enjoyed by our people."

Then were presented the figures upon which his belief was based. A few of them must prove interesting and valuable.

Total wealth of Country in 1860	$16,159,616,000
" " " " " 1890	$62,610,000,000
Railroad mileage in 1860	30,626 miles
" " " 1890	167,471 "
Capital in Manufactures in 1880	$1,233,000,000
" " " " 1890	$2,900,735,000
No. of Employees in 1880	1,301,000
" " " " 1890	2,251,000
Wages earned in 1880	$501,965,000
" " " 1890	$1,222,000,000
Value of Products in 1880	$2,712,000,000
" " " " 1890	$4,860,000,000
Deposits in Savings Funds in 1860	$149,000,000
" " " " " 1890	$1,524,844,000
No. of Depositors in 1860	693,870
" " " " 1890	4,258,893
Value of Farm Products in 1860	$1,364,000,000
" " " " " 1891	$4,500,000,000

Many other figures were educed showing, among other things, the immense number of factories started in 1892, and that the value of the foreign trade for that year exceeded the average for the last ten years by $400,000,000.

This last session of the Fifty-second Congress attended only to routine work. It did nothing to affect either the political or industrial conditions of the country, if we except the mutterings respecting the repeal of the Sherman coinage act, and the failure to pass an illy-constructed repealing act. It was under these flattering auspices that President Cleveland came into power the second time, on March 4th, 1893. The popular acclaim over his election was abundantly supplemented by the eclat of the inaugural occasion. It is doubtful if any President ever entered upon his high

office amid surroundings so well calculated to stimulate his pride of place and heighten his sense of official responsibility. Much of the hostility that had been manifested in the convention which nominated him had been dissipated during the campaign. He had managed to retain that almost idolatrous hold on his party, and on certain dissatisfied Republican elements, which served his fortunes so well during his first administration. Perhaps he had not chosen his cabinet wisely, for it was seemingly incongruous; but he had surely chosen it with a consciousness of his personal power and with a view to having his own wishes reflected in its councils.

He had succeeded in defeating an opponent who was closing one of the purest, wisest and most satisfactory of administrations. He had proven to be a powerful factor in those plans which were shaped for the purpose of dividing the Republican ranks in the West and Northwest and thus rendering victory sure without the aid of the pivotal states of the East. If there were present any elements of the sudden and startling revolution which seemed to daze or appal far-sighted Democrats, they were not as yet so apparent to the minor leaders or party masses as to dim the glory of Democratic victory or lighten the humiliation of Republican defeat.

President Cleveland accepted the situation in a terse and dignified inaugural in which he took the occasion to warn the parties and the people against the conditions and tendencies which menaced the integrity and usefulness of the government; made an emphatic demand for sound money; pronounced against government paternalism; insisted on an economic public service; proclaimed trusts to be unwholesome and dangerous; repeated at length and with greater emphasis his well-known views as to the necessity for tariff

reform; and concluded with an expression of confidence in the wisdom and judgment of the people. The message filled every measure of expectancy, whether viewed from the standpoint of friend or foe.

The Senate, convened in extra session after the 4th of March, brushed away the clouds which concealed its political complexion by the settlement of contests for seats, and revealed a small Democratic majority. This was an additional assurance to the President, and a harbinger of such political unity and strength as Democracy had not enjoyed for over thirty years.

But this roseate and inspiring situation changed its hue and consistency almost as if by magic. Its glories were those of the rainbow, too ethereal and resplendent to last. The earliest symptoms of change, the first tangible evidences of doubt as to the realities of the new as compared with the old regime, appeared with the President's recall from the Senate of the treaty relating to the recognition of the popular government which had been recently formed in the Hawaiian Islands, and which had been sent to that body for ratification by President Harrison, but had not yet been acted upon. This recall, and the hasty sending of a special commissioner to the Islands, whose actions seemingly tended to thwart the efforts of those who had set up a popular government, and to look to the re-establishment of the dethroned queen and the re-habilitation of monarchy, while the report of said commissioner clearly discredited the regular report of the duly accredited U. S. Minister to the Islands, sent a thrill of disappointment through the national bosom. The inconsiderate ordering down of the American flag, which floated over the headquarters of the new government of the Islands, and served to symbolize its hopes that annexation to the United States, or such a protectorate as

would inspire the belief that the independence of the Islands would come about in time, proved to be a shock to national pride, and a damper on that policy of annexation which had been cultivated, without regard to party, from time immemorial and which had met with well nigh universal acceptance in the American mind.

Even if a counter-policy was to prevail, and one favorable to monarchy as against a republican form of government for the islands; even if the United States was to lose the prestige of ownership or control, and an invaluable commercial vantage ground in the mid-Pacific; even if the country was to be shocked, and plunged into mistrust and criticism; there was still something more dissatisfying and pall-like hanging over the situation, for statesmen of all parties could not be brought to understand the nature of that new departure in diplomacy which sought success at the expense of a policy deliberately adopted and fully formulated by a preceding administration. It was thought that Mr. Cleveland's Secretary of State, who had but recently put off allegiance to Republican principles, and who was suspected of nursing resentment against Mr. Harrison, may have too strongly advised the President as to the steps which led to this monumental blunder and general source of suspicion and dissatisfaction. But the master and not the man had, in the end, to assume the responsibility, and the Hawaiian affair proved blighting to the patriotic sense of the country and to the high hopes which had clustered so thickly around the new Democratic era.

From this time on, the shades as of a dismal evening seemed to settle thick and fast on every energy and prospect. Despite the fact that the Columbian Exposition was soon to inaugurate a jubilee period and cause a flow of money and a buoyancy of spirit, the darkness descended in

deep folds, and people grew less confident, more nervous, more agitated. It was not the agitation of excitement so much as of instinctive dread, and as much dread of what had happened in political circles as what might happen. The more the people returned to their sober senses and studied the nature of the political revolution of 1892, the less they understood why it had come about. It had been so sudden as to be amazing, and so overwhelming as to be appalling. After all, was there not more danger than safety in it, more of disaster than prosperity? Had not the letting loose and the fostering of the elements which had made it possible, to say nothing of the probable bargaining for the support of those elements, been like the uncaging of a fierce lion, or the breaking of a great gun from its fastenings on the lower deck of a ship? Would the powers that had encouraged these discordant elements, and had so largely and significantly profited by them, be able to cohere and control them? Would they not, in the end, prove stronger than their masters, or at least so formidable as to baffle every wise administrative plan? Would Mr. Cleveland, even with his hard determination of purpose, be strong enough, in the face of such tumultuous situations, to hold his own party together, or to formulate for it any wise or courageous policy? Was not the political ship at sea without anchor, and already tossed by storms which threatened to engulf it? These, and myriads of similar questions ruled the thought of the hour. They were asked by thinkers of all shades of politics, but they had their greatest significance when asked by sage men in the counting-houses, the factories and banking-houses of the country. They were asked with quivering lip, blanched face and anxious gaze. The ominous silence with which they were received only served to increase the anxiety and deepen the appre-

hension of the questioner. Would that some one could tell what the past meant; would that some one would rise up and lift the veil from the future.

At length the feeling of discontent began to shape itself into a sense of danger in the commercial centres, and the demand arose for a monetary policy on the part of the Administration. Imports were rapidly falling off, and with them the public revenues from duties were decreasing. The revenue from internal taxes was rapidly diminishing. The gold reserve in the Treasury, which had, by tacit agreement among all financiers, been kept above $100,000,000, that being the least sum considered safe as security for the outstanding and depreciated currency, was being gradually carried away to Europe, and was already far below the $100,000,000 deemed requisite for the maintenance of the national credit. This export of gold was accounted for by the fact that where two currencies, as of silver or gold, or rather one depreciated and the other appreciated, are co-existant, the better currency retreats to the closet or to another country, leaving the field to the depreciated currency.

There had hitherto been no danger in this situation, because the Treasury gold reserve had been kept above $100,000,000, which was deemed ample to float our silver currency. Moreover, it had been the standing policy to preserve a true and equal bi-metalic standard, by redeeming silver certificates in the coin of the realm; that is, in gold, as the par coin. Thus the silver dollar and its representative, the silver certificate, were made as good as any other dollar, and the two existing currencies co-operated with one another, neither driving one another out nor being driven. There was, therefore, no danger of what now was feared, and what was clearly pointed out as inevitable by the export

of gold and the depletion of the Treasury, viz: a silver medium to the exclusion of gold.

Unfortunately for the situation, there were many incidents to it which served to intensify the feeling of danger and propel toward the disasters in store. The record of the Secretary of the Treasury, Mr. Carlisle, had been, in both House and Senate, that of a consistent free coinage man. Much of his financial reputation rested on this line of thought and speech. The sentiments of no public man were better known respecting silver and its part in our national currency. No views had been more eloquently and persistently set forth. Had he been chosen to his responsible office by Mr. Cleveland with a view to shaping the financial policy of the Administration along his own lines of thought? Would he therefore disappoint the confidence reposed in Mr. Cleveland as an opponent of free silver coinage? This was a problem which vexed the money centres and contributed greatly to the prevailing uncertainties.

It is almost plain that there was now in the situation a doubt and foreboding which heralded storm, if but a jar occurred to loosen a bolt or shift the position of a cloud. That jar came in the shape of an intimation from Mr. Carlisle, that a further issue of silver certificates might become necessary in order to keep the government in necessary funds. Here then was the first intimation of a financial policy on the part of the administration, the delay of which had already given rise to a charge of indifference on the part of Mr. Cleveland. It was now accepted that Mr. Cleveland had surrendered his bi-metallic principles to Mr. Carlisle, and that the new policy was to be that of an exaltation of silver to the rank of an independent currency. A solid dread fell at once on banks, capitalists and the various com-

mercial centres, lest the country should be plunged into a silver medium and lose its gold standard, its recognized basis of circulation and redemption, and its high credit among commercial nations.

The consequences of this dread were speedily visible everywhere. All the fibres of commerce and industry, already nervously tight, trembled as if struck by a heavy, hard hand. Credits shrank so rapidly and ruinously that the country was plunged into the hardships of crisis, which needed but another jar to open into the awful devastations of full panic. Banks closed their doors by the hundred, drained of their resources by excited depositors, or as a matter of protection against the inevitable. Banks remaining open refused to discount the best of paper, and even to cash checks till satisfied that the money was designed to enter regular lines of trade as a necessity. Corporations and firms were refused extensions of credit, and collections being impossible, they went into bankruptcy by the thousand. General demoralization spread along every line of commercial activity, and the stagnation was such as the country had not witnessed in a life-time.

Something must be done to relieve the appalling pressure. Mr. Carlisle saw the unwisdom of his intimation, and the President took occasion to hint that it did not have his sanction. While this served as a temporary sedative, it by no means re-established broken confidence. Indeed the situation grew rapidly worse, for lack of confidence had proven infectious and was extending along the channels of industry of every kind. As dark a cloud was sweeping over the industrial world as a month before had wrapped the commercial world in dread and gloom. What the President had said or done was at best but a negative. An affirmative was required. He was chided for his delays in shaping

something satisfactory, and urged to define a policy the country could rely on.

A large sentiment, whether justly or not has never been fully ascertained, agreed to find a cause for existing evils in the existence of the Sherman coinage act of 1890. Mr. Cleveland was known to favor its repeal. If he could be brought to realize that the emergency was sufficiently serious to warrant the calling of the Congress in extra session to secure such repeal two things would be accomplished; (1) he would have established a policy for his administration from which it would be difficult to depart with honor, and (2) actual repeal could not fail to have a satisfying result, even if it did not fully stay the ravages of the crisis. Moreover, it was eminently fitting that the Fifty-third Congress should be called to pass on this measure, for it had been made a campaign issue, and had been thrown over upon this body by its predecessor.

Therefore Mr. Cleveland was strenuously urged to call the Congress together for the above purpose. But, though his own mind may have been clear as to the propriety and necessity of such call, he was hedged about with difficulties which he could realize better than any one else. While he could count on Republican support in favor of repeal, though that support would be given with no thought that the disease which afflicted the country was more due to the existence of the Sherman act than to the threat which hung over the industries of the country through Democratic ascendency, he could not count on the united support of his own party.

He knew that a vigorous and persistent sentiment existed in the south and west, among Democrats and Populists, and the latter may have obtained a balance of power in the Senate, in favor of the free and unlimited coinage of silver and of its use as a currency medium. Therefore he was

not sure of his ground, nor did he feel safe in relegating so momentous a measure to an untested membership till the full effects of the crisis had been felt in every Congressional district, and had served to educate sentiment up to the duty of repeal. He confided more in the merits of what became known as his "object lesson" than in the demerits of the act, or any hearty existing sentiment against it. Hence he delayed the call of the extra session. This delay, while it may have served his purposes well, only intensified the general feeling of mistrust, and opened the flood gates of criticism upon what was deemed a cold, hard-hearted policy.

Meanwhile the "object lesson" was entering deeply into the mind and soul of every section. Crisis swept angrily along like waves of ocean, threatening an outburst of panic as they reared their wild crests or sunk into sullen depths. Values of every kind—farms, stocks, bonds, mortgages, judgments, all evidences of credit—shrank in value till the depreciation was placed at figures far in excess of the entire cost of the Civil War, till the income of countless men, women and children was entirely cut off or reduced far below their necessities, till commercial credits were next to an impossibility, till solvent banks had to save themselves by calling on clearing house certificates of help, till inordinate hoarding usurped the province of legitimate investment.

At length, June 30, 1893, the President issued his tardy call for an extra session of the Fifty-third Congress, to meet on August the 7th. This call should have proved an assurance to the country, if there was anything in the popular apprehension that the existing ills were due to the Sherman act. But it seems the country was suspicious of its own judgment in this respect, or, it may be nearer the

HON. JOHN G. CARLISLE.

Born in Kenton co., Ky., September 5, 1835; educated in common schools and as teacher; admitted to bar, 1858; member of Kentucky State Legislature, 1859–61; elected to State Senate, 1866 and 1869; elected Lieutenant-Governor of State, 1871; elected to 45th, 46th, 47th, 48th, 49th, 50th and 51st Congresses; presided as Speaker of House in 48th, 49th and 50th Congresses; a dignified officer and skilled parliamentarian; elected to United States Senate, as Democrat, to succeed Senator Beck, deceased, May 17, 1890; member of Committees on Finance, Territories, Canadian Relations, Indian Depredations and Woman's Suffrage; conspicuous in party affairs and a recognized exponent of Democratic thought.

truth to say, that the shrewder minds and those who felt the touch of hardship most keenly in their factories, stores, shops and homes, took no stock in the doctrine that the Sherman act was responsible for the deplorable conditions, but inclined more and more to the belief that the bruised and hapless present was but an anticipation of a more deeply wounded and miserable future. At any rate, between the call of the extra session and its meeting, the crisis enlarged its areas and assumed more tempestuous and ruinous form.

It passed from its commercial, or currency stage into the industrial domain, and swept along with even more devastating speed than before, bearing on its turbulent crests a wholesale wreckage of manufacturing firms, furnaces, mills and enterprises, and leaving a distressing wake of bankrupt capitalists and unemployed operatives. In apprehension of a reduction of values through excessive foreign inportations made possible by removal of duties, merchants everywhere and in every line cancelled their advance orders for goods. The manufacturers who survived the storm on reduced orders, or who determined to brave it, found themselves face to face with that most intricate of all problems, the problem of labor, and saw no peace except through long and tedious battle. The operatives, in discontent and despair, took up the strife for wages in their own way and plunged the country into strikes and turmoils which bore crops of arsons, cruelties and murders; and led to a spirit of lawlessness harder to eradicate than the all pervasive effects of the most direful panic.

On August 7, 1893, the Congress met in extra session, with a large majority of Democrats, the proportion of parties being Democrats, 221; Republicans, 125; Populists, 10. It organized by re-electing Mr. Crisp, of Georgia, as Speaker. President Cleveland sent in a brief, direct

paper, calling attention to the unsatisfactory commercial and industrial conditions, limiting the session to the object of the call, which was the repeal of the Sherman Act, and using every argument thus far evoked by politicians and business men in favor of such repeal. The message was well received by the Republicans and Democrats who favored repeal, but it embittered all of both parties who favored free coinage of silver. As a vast majority of the latter were Democrats, the President ran great risk of disrupting his party and defeating the purpose of his call, but he trusted largely to his personal and administrative powers, to the value of the impressive "object lessons" he had set the country for the few preceding months, and to the necessity for party cohesion, especially on the threshold of his administration, to sustain him in his course.

The House went at once to work to achieve repeal. The Republicans were not hostile, except those of the free-silverite faction, but they took occasion to emphasize their belief that the existing crisis was due more to the threat upon the industries of the country, found in Democratic ascendency, than to any silver legislation. The bill passed the House, August 28, by a majority of 240 to 110. In the Senate the repealing bill was taken up in a leisurely way and discussed fully for a period of two months, its opponents being ever on the alert with long speeches and dilatory motions. It finally passed the Senate, October 30, by a vote of 43 ayes to 32 nays.

After this repeal bill became law, the country felt a sense of relief. But it was only momentary, for very soon it became manifest that the Sherman Act did not contain the ills attributed to it, and that the beneficial results expected to flow from its repeal were not being realized. Though banks felt easier and credit assumed a certain degree of con-

fidence, there was now little use for money. Industrial enterprise was so completely paralyzed as to be utterly without ambition, and investment awaited a time when it could be assured of more adequate return than the present promised. The time for the meeting of the Fifty-third Congress in first regular session was near at hand, and the business world looked nervously forward to the attack upon, and overthrow of, the fabric of protection, together with that entire change in our commercial, industrial and economic conditions which that overthrow implied. It was a period of mental suspense and material suspension, an era of waiting and collapse, a continuous and demoralizing crisis, and was to be such during the entire period of the long session of Congress, which period, if not as to actual time, at least as computed results, measured the whole of the year 1894.

The approach of the winter of 1893 served to emphasize the crisis, by introducing into the gloom of existing conditions the elements of suffering and despair. Armies of idle operatives rose in the cities and about the mining and manufacturing centres, who became objects of charitable solicitude, and the problems of how to feed, clothe and warm them were as so many vexatious additions to those already distracting the land. Happily, philanthropy proved equal to the serious occasion, and the country was spared the horrors of witnessing scenes of starvation and the disgrace of bread-riots, which so often accompany enforced idleness and protracted want.

THE COXEY CRUSADE.

One of the most remarkable manifestations of the unrest that prevaded the years 1893 and 1894 was what became known as "Coxeyism." It was an ebullition of such a peculiar kind as to excite at the start only jeers and ridicule. Then, as it spread and insisted upon its importance, it drew unmeasured denunciation on the one hand, and excited curiosity and sympathy on the other. Finally it encountered the law, and was forced to yield its methods of procedure, which was equivalent to a disintegration of its elements.

In organized form, Coxeyism took the shape of an army, or armies, called variously the "Army of the Commonweal," the "Army of Industrials," "The Industrial Army of Christ," "The Commonweal of Christ," etc., and as such it was supposed to supplement its political, industrial and social aims with a religious enthusiasm akin to that which inspired the crusaders of old. In the midst of all the ridicule heaped upon it, it found comfort in the comparison of its beginnings with those of Christ, as he moved about with his apostolic band, and finally made triumphant entry into the Hebrew capital. Whether Coxeyism, in organized form, was a mere aggregation of tramps, as most people seemed to think, or whether the legitimate outcrop of serious conditions; whether it was only social froth, or the precursor of revolution, it was a fact, and one of sufficient significance to find a place among the problems which politicians, sociologists and moralists deemed worthy of discussion and solution.

Some have found its prototype in that English Chartism

of fifty years ago, which assumed the material form of the much-ridiculed "Manchester Insurgents," and marched on Parliament to present its petitions. Professor Hourwitch, of the Chicago University, likened it to the old Russian custom of organizing "petitions in boots." He said, "In Russia it frequently happens that the peasants of some remote village or group of villages, finding no relief for their grievances from the home authorities, send their delegates to bring 'petitions in boots' to the seat of the central government. The 'weary walkers,' as they are called in Russia, march thousands of miles, very often begging 'for Christ's sake.' That men should come to the adoption of such methods of petitioning in America is a phenomenon so extraordinary that it deserves study from another than a policeman's standpoint."

Others, again, in treating the matter seriously, found the origin of Coxeyism, the source and secret spring of all its power, in the existence of the immense number of unemployed. In reasoning from this standpoint, a learned writer said: "Coxeyism is not the movement of one man. It is as little the handiwork of Coxey as the French Revolution was the work of Mirabeau or Robespierre. Coxeyism is a kind of sporadic growth—the adoption of petitions in boots by a widely scattered group of miserable men, all of whom have but one idea and one prayer. 'Work, give us work,' is their cry; and as it is to the government that they address their prayer, they set their faces toward Washington. Every newspaper blames the party to which it does not belong for the bad times. Politicians habitually speak as if prosperity were the gift of the administration. The Federal government is constantly called upon to play the part of an earthly providence. Coxeyism only asks that it shall secure work for the unemployed."

Another regarded Coxeyism as purely an evolution of Coxey's genius, by means of which he strove only for personal fame. This is the reasoning:—

"Every newspaper reader had grown weary of the discussion as to what should be done with tramps and out-of-works. It seemed almost impossible to contrive any device by which this grim and worn-out topic could be served up in good salable newspaper articles. But Coxey did the trick. Coxey compelled all the newspapers of the country to devote from a column to six columns a day to reporting Coxeyism, that is to say, with echoing the inarticulate clamor for work for the workless. That was a great achievement. To have accomplished it shows that Coxey is not without genius. No millionaire in all America could, without ruining himself, have secured as much space for advertising his wares as Coxey commanded without the outlay of a red cent, by the ingenious device of his petition in boots."

On the theory that Coxeyism, which seemed to be a western emanation, had an origin in causes confined to that section and was perhaps an outcrop of Populism, certain prominent men were asked to give their opinions of it. Edward B. Howell, of Montana, wrote:—

"The Northwest is not accurately represented by the industrial army movements of this region any more than Coxey represents Ohio. We have sympathized with these under-fed, ill-clad, penniless men. The wild flight of 'Hogan's Army' down the Yellowstone on a captured train, their speech-making at stopping-places on the way, their removing of obstructions on the track and their careful replacing of the same after their train had passed, and finally their capture by Federal troops called out by the President of the United States, all these things appealed

to our sense of the ludicrous. Perhaps it would have been more respectable from an Eastern point of view if we had been shocked and indignant, but we were not. We have been willing that these men should seek better fortune in the East, and even go to Washington if they can and there make exhibit of the misery which evil legislation has caused, but we have not sent them on so doubtful a mission."

Professor Macy, of Iowa, wrote "I believe that a considerable factor in the promotion of the movement is due to the industrious writing on the part of the newspapers. There were large numbers of men who were out of work, and they wanted to get from the West to the East. After the movement was started there were many who availed themselves of the cheap transportation. Some of the men who left Kelly's army and visited our town frankly stated that they joined the army for this purpose. I can with some difficulty believe that there were those in the army who were sincere petitioners for the avowed objects of the movement."

Richard B. Hassell, of South Dakota, wrote "We have no Coxeyites in this State. No member of the industrial armies now marching to Washington, so far as I am able to learn, comes from South Dakota. But we have sympathizers with the Coxey movement by the thousand—sympathizers not with the method of it, but with the purpose of it. And this sympathy is not confined to the Populists of the State. The fact that about 50 per cent. of the Kelly wing of the industrial army, polled when passing through Iowa, proved to be members of the old parties, indicates that the army is not a Populist movement; and we are not surprised to find a general sympathy for it which is not measured by party lines. The widespread sympathy grows out of the general recognition of the very serious national conditions which

confront us, and the seeming indifference of the lawmaking power. These sympathizers expect that the Coxey movement will be apparently a dismal failure; but they hope that like a signal of distress, it will attract attention, and result in a well considered effort to bring relief. If it fails of such a result they say 'one of two things must follow, a revolution or a strong government.' And they do not lay much stress on the strong government alternative because they do not believe the world moves backward."

Said J. W. Gleed, of Kansas:—"I do not myself attach a great deal of significance to Coxeyism. That I take to be purely a temporary thing. We know that we had the commercial crisis and hard times and that men were thrown out of employment. Nothing would probably ever have come of the Coxey movement, but the newspapers took it up, and day after day and week after week we had columns of it in the papers all over the West. Take men who were once boys; let them be without employment, with the time hanging heavy on their hands, and what could you expect but that here and there they should take up the idea and say; "That will be a pleasant way to pass the time. Let's have an excursion to Washington. We have nothing else to do, and why not that? It is to be noticed that the Coxey armies have come almost entirely from large cities and mining country."

After this general glance at the origin of the "Coxey Crusade" let us take a more detailed view of the movement. The hero of the peripatetic petition was one Jacob Sechler Coxey, though Carl Browne was really its Peter the Hermit. Coxey lived near Massillon, Ohio, where he worked a stone-quarry and reared fancy stock, thereby securing considerable means. It is said that his vicinity so resembled a mud-hole at certain seasons of the year, as that he became

a monomaniac on the subject of good roads. His politics was that of a Greenback Populist, and he had for years striven for reform in the existing system of government, which he held responsible for all the misery of the times.

His views as to good roads took the form of a bill which provided for the issue, by the Federal Government, of $500,000,000 in Treasury notes, to be expended wholly in the construction of good roads throughout the country, each State to receive an appropriation *pro rata* with its road mileage and to employ only American labor at wages fixed in the bill.

While debating as to what to do with his bill, he met Carl Browne at a Populist Convention in Chicago in 1893. Browne hailed from Calistoga, California, and had been a life-long labor agitator of Anarchic turn, who affected Cowboy dress, and united a good deal of native sense with a fair degree of intelligent expression. A friendship sprang up between the two, and out of it grew an interchange of confidences. Browne made known to Coxey that he had for years been trying to organize the unemployed and march them in army fashion to Washington to demand relief of a "money enslaved Congress." He had failed through want of funds. Coxey unfolded his wishes, and they agreed to pool issues, make a head-quarters at Chicago, and begin the formation of a Crusading army.

Coxey returned to Massillon, but Browne remained in Chicago, making himself so conspicuous and offensive at the "Lake Front Meetings," by his incendiary speeches, that he was expelled from the city by the Mayor. But he managed to return and preached his revolutionary doctrines under the garb of a patent medicine vender.

In November, 1893, Coxey decided that Massillon should become the base of operations, and he sent for Bowne to

come there. Meanwhile Coxey's fertile brain had evolved a second measure, which, if incorporated with that relating to good roads, he was confident would bring peace and prosperity to all, and entitle him to honors such as had been bestowed on national benefactors like Washington and Lincoln. This measure provided that all States, counties and municipal corporations could issue bonds without interest for a practically unlimited amount, which upon request should be accepted by the federal government and treasury notes given in exchange up to the limit of the issue, less 1 per cent. for cost of printing. The principal was to be reducible at the rate of 4 per cent. per year and the treasury notes were to be utilized for public improvements.

The two leaders were now together as to the essentials of the contemplated campaign. The two Coxey bills were to be forwarded to the Congress so as to be introduced by March, 1894. To hasten and insure their passage a "petition in boots" was to start from Masillon on Easter Sunday and by overland marches reach Washington on May 1, there to hold a monster mass meeting on the Capitol steps at noon.

Meanwhile the work of army organization was to go on quietly, if not secretly, for it was not till January, 1894, that the plans were divulged to the public, and then not by the leaders, but through the enterprise of a local editor, who fairly revelled in the magnitude of his discovery, and at once drew public attention to it by enlarging upon the novelty of the scheme and dealing in unstinted praise of Coxey's genius and wonderful business forethought.

That these men had built upon a more than average knowledge of the labor conditions of the country, is not to be doubted. Browne had been a wide traveller, a shrewd

observer, and almost a life-long agitator. He knew well the effect of an incendiary speech upon a mob of idlers, and had at his command all the arts by which an accomplished demagogue encourages, or takes advantage of discontent among those who are out of work. It is plain too, that he trusted very largely to the efficacy of his work on the Pacific slope and throughout the far West, and felt that it needed only the further encouragement of such a spectacular exhibition as he and Coxey were now to give, to cause it to burst into the bloom of effective organization everywhere. In this he was not mistaken, for as soon as the plans of the Massillon campaign were announced, with all the flourish of which newspapers are capable when a morsel so tempting enters a sensational feast, a host of Commonweal armies sprang as it were out of the ground, and turned their faces toward the national capital.

These leaders had rightly computed that the novelty of their scheme would prove such an advertisement, without cost to themselves, as had never fallen to any other labor movement. They counted, and in this their judgment failed, on setting in motion a central force, which would prove attractive of all the elements of discontent, and which would grow by daily accretions, till it finally became an irresistible energy, compelling respectful sentiment and accomplishing its object in spite of legislative obstacles.

If it was all madness, there was the palliative of very shrewd method in the inception and completion of the scheme. Coxey fully expected to lead to Washington, or to find on his arrival there on May 1, an army or aggregation of 100,000 men. These numbers would, in his judgment, be reinforced from time to time and from more remote sections of the country, till the grand and imposing aggregate of 500,000 was reached. This would be but one-

sixth of the 3,000,000 wage-earners he estimated to be out of work at that time. In these calculations and prophecies, Coxey but reflected the habit of all agitators to adjust their exaggerations to their hopes rather than to their real expectations. His Massillon band never had over five hundred members, and at times hardly one hundred. The same story might be true of all the other armies. Some one has attempted to marshal the entire Coxey demonstration, as follows :—

Commander.	Starting-point.	Number of men.
Coxey,	Massillon, O.,	500
Frye,	Los Angeles, Cal.,	1,000
Kelly,	San Francisco, Cal.,	2,000
Randall,	Chicago, Ill.,	1,000
Hogan,	Montana,	500
———	Oregon,	900

It would thus appear that the aggregate of active campaigners never arose above an infinitesimal proportion of the unemployed in the country, or even of those actually receiving relief from charitable organizations in the respective cities.

If the above figures reflected the situation even approximately, one very remarkable feature of Coxeyism was its strength on the Pacific slope. But, as has been seen, this was doubtless due to Brown's previous efforts there, where for years he had been an agitator and petitioner to Congress, along with Dennis Kearney of Sand-lot fame. The two most formidable armies started from the Pacific coast, Frye's of Los Angeles, and Kelly's of San Francisco. Of the other armies, two took their rise in Oregon and Montana. The only important body of men not directly recruited west of the Rockies, or directly inspired and

directed therefrom, was Randall's Chicago army. But even this was brought into being as the direct result of the presence of Kelly's California army in the neighborhood. The armies recruited in the eastern states were contemptible in number. The Boston army never exceeded a few score men, and that from Philadelphia numbered still less.

So far as distances were concerned, the undertaking of these armies was stupendous, yet not without calculation. The weary tramp of hundreds and thousands of miles was to be an evidence of sincerity, a proof of energy, a source of inspiration to all the elements of discontent, a magnetism which was to draw all kindred particles to a common nucleus, an incitement to popular sympathy, an appeal for shelter, bread and clothing, in short, the exterminator of distance and the possibility of success. There was little purse and scrip at the start. Since the movement smacked of heavenly ordination and looked to the universal good, it was to be its own moving appeal in the name of charity, and was to meet with a sympathy and a substantial outpour of material aid equal to its immediate needs.

It was to be a peace movement, and no doctrine was more rigidly inculcated than peace. In the main, the respective bands behaved themselves with commendable moderation. The immense distances from West to East brought the Western contingents face to face with the problem of a more rapid transportation, with a change of their petition in boots to one on wheels, and they occasionally stole a train to help them along, but in this they urged the immediate necessity of transport in the supreme cause of the "Commonweal" as a set-off to any charge of force or stealing. It was simply borrowing in the name

of philanthropy and righteousness. As a rule, they stole nothing but rolling corporate stock, and this they returned. They did not burn nor murder. It was not incendiarism and brutality at large and without restraint, as is too often the case when the elements of discontent burst into the appalling frenzy of a strike. They begged, they took collections at show-points and at charitable passings, but they did not rob nor resort to violence. In this exemption from the usual manifestations of vagabondism and trampism they certainly met the oft-repeated charges that they were only a mob of miserable and vicious lazzaroni, abroad for no other purpose than to prey on society. When Coxey led his men into Washington, he boasted, "You cannot find even so much as a chicken feather among my men;" and this though they had passed through a country teeming with roosts and coops.

The question of army discipline had evidently been well studied. Browne had come of soldier stock. They mapped their marches and divided their distances into stated itineraries. They camped with regular army care. They had rigid rules as to temperance. Camp followers were either enlisted or told to be gone. Here is the code of procedure as laid down by General Randall:—

"All members must submit to its discipline, be orderly, peaceful and law-abiding.

"Every member must obey promptly the directions and orders of those who have been elected or appointed to places of authority over them.

"A guard will be detailed every day for the succeeding twenty-four hours of a sufficient number of men, to be divided into three reliefs, which shall be under the command of the officer of the day.

"Every day a sufficient number of men will be detailed

to act as police, to see that the camp, barracks, or other place of shelter is kept clean, and to direct the men who are thoughtless or careless about their persons to keep as clean as possible.

"Every man must keep his person and his immediate portion of the quarters clean, and refrain from boisterousness, profane and obscene talk, and conduct himself in such an orderly, sober, dignified way, whether in or out of quarters, as will inspire the public everywhere that we are American citizens, and that we are banded together to make the whole people as a jury listen to our grievances.

"No person will be allowed to camp except members of the Commonweal army and those who have permit to countersign.

"No speech-making will be allowed in camp without the consent of the commanding officer.

"As all men in the army have joined for 'pot-luck,' and expect to take it, let there be no grumbling over rations or the quarters furnished to us, no matter what the quality of the one nor the inconveniences of the other. We are patriots, and must endure our lot whatever it may be."

But fortunately there is better data as to the nature of Coxeyite aggregation than that afforded by sensational newspaper reporters, or by a study of their rules and regulations. Professor Hourwitch, already quoted, made an examination, from the standpoint of sociology, of 290 men selected at random from the command of General Randall. Here is a compendium of his data:—

"Of the 290 Industrials, one-half were American born. Two-thirds were English-speaking men. They averaged 30 to 32 years of age.

"Of 262 Industrials, 181 were skilled mechanics, representing 70 trades; 74 were unskilled, and 7 were tradesmen.

The fourth were union men. Of the skilled mechanics, 70 were unionists, and 111 non-unionists. Their average wages when at work was, unionists, $2.50 per day, non-unionist mechanics, $1.75, and unskilled laborers $1.50.

"Of the 115 questioned as to education, only two were badly educated. They averaged seven years of school life. Twenty-six had attended high schools, business and professional colleges, academies and universities.

"Of 198 questioned as to politics, 88 were Democrats, 39 Republicans, 10 Populists; 25 did not vote; 28 were not naturalized.

"One-half the non-Chicagoan Industrials were married and had left their families in search of work. One-fourth of 261 had been helped through the winter by charity. The average duration of lack of employment was five months. Two-thirds of them had saved enough to tide them over this period, but their savings were spent. Only five or six appeared to be of questionable character."

The professor's conclusion was that it was not the tramp, but the unemployed—the unfortunate citizen—who had turned into the ranks of the Commonweal. And this may be one of the reasons that while they were ridiculed, and looked upon with contempt and dread in advance, their arrival in a place was never without a modicum of sympathy, wholly inconsistent with pre-existing thought that they were deliberate idlers and incorrigible tramps.

THE GRAND MARCH FROM MASSILLON.

Sketches of the grand march of Coxey's Army from Massillon to Washington were innumerable, and no doubt very highly colored, if not absolutely distorted. But out of the confusion, something like the following may be deemed approximately correct. It was Sunday morning,

JACOB SECHLER COXEY,
Commander of the Commonweal Army.

Was born in Pennsylvania, in 1854. He left school at thirteen and went to work in a rolling mill. He was dilligent and prosperous, and went into business on his own account in 1879. Two years later he purchased a sand-stone quarry at Massillon, Ohio, and in 1889 added stock raising to his ventures, acquiring thereby considerable means. He was an Episcopalian of musical tastes, till he imbibed the theosophy of Browne.

CARL BROWNE,
Marshal of Coxey's Army.

Born July 4, 1849, of fighting stock, his father having fought in Mexican and Civil Wars. The son passed through many occupations and phases of life, having been printer, painter, rancher, journalist, cartoonist, politician and labor agitator. He was Dennis Kearney's private secretary, and passed through the anti-Chinese agitations in California. Coming East he joined fortunes with Coxey.

and the Easter bells of 1894 were ringing when Coxey and Browne began their famous march from Massillon to Washington with about a hundred Industrial soldiers in line behind the banner of the Army of the Commonweal, but this small force was escorted by no fewer than forty-three special correspondents, four Western Union telegraphic operators, and two linemen.

The van-man was a negro bearing the American flag. Browne followed in a decorated buck-skin coat and riding on a big gray horse. On his head was a broad-brimmed sombrero, and around his neck an amber necklace, a present from his wife. He was followed by a trumpeter, and a decimated brass band. Then came Coxey in a buggy drawn by two bays, and driven by a negro. Behind were his wife and sister in an open carriage. Then another negro followed bearing the banner of the "Commonweal of Christ," with its portrait of the Savior and the suggestive legend, "Death to Interest-bearing bonds." Then followed the hundred Industrials.

Grimy they were and ragged, but they stepped out bravely behind their banner, caring little for the jeers of the populace, which outnumbered the army by twenty to one. The forty-three newspaper men tramped alongside, while the rear was brought up by a miscellaneous multitude who tailed off as the snow came down and the mud grew deep in the road.

The impedimenta of the army consisted of a wagon laden with one of Browne's panoramas, with a cover curiously painted in blue, with a couple of commissariat wagons, on which was inscribed the watchword of the Commonweal.

A circus tent was carried with them, and such rations as they could secure. As a rule the army was supplied with

victuals by the people on the way. The reporters complained of having ham and eggs three times a day, but they paid for their fare. The Commonwealers being dependent on charity often went hungry. They cut their own firewood in the woods, made fires in camp, received their rations in groups of five, took off their shoes, laid down in their blankets, and rested. All along the road the country-folk came to see the show. It was as good as a circus in its way—and, besides, who could say but that it might lead to better times? So the crowds cheered, and brought crackers and pies and bacon, and the Commonwealers felt encouraged to persevere. Sometimes they enlivened the camp by singing some of the songs of the Army of the Commonweal.

On Sundays the movement flamed out in its religious colorings. Browne was a mystic and theosophist. Coxey had been an Episcopalian with musical tastes, but had become a theosophist, and it was said that he fully believed he and Browne were sharers in the re-incarnation of Christ. On Sundays Browne preached. His sermons were a strange mixture of prophecy and politics, of theology and finance. Over the head of the preacher floated a banner bearing the inscription, "The Kingdom of Heaven (on Earth) is at Hand." In one of the sermons, he declared the present condition of the country to be the fulfilment of the revelation to St. John. The horns of the beast were the seven conspiracies against the money of the people; the ten horns were the ten monopolies, foremost among them the Sugar Trust. Grover Cleveland had called an extra session of Congress, and by the aid of "that gray-headed rat from Ohio, John Sherman," had been able to heal the wounds of the seventh head by repealing the Silver Purchasing bill.

Browne was great in Scripture, and his Biblical allusions were quite Puritanic. Here, for instance, is an extract from one of his general orders:

> We are fast undermining the structure of monopoly in the hearts of the people. Like Cyrus of old, we are fast tunnelling under the boodlers' Euphrates, and will soon be able to march under the walls of the second Babylon and its mysteries too. The infernal blood-sucking bank system will be overthrown, for the handwriting is on the wall.

In his eyes Coxeyism was the outward and visible sign of the second coming of Christ. He wrote at the beginning of the march an exposition of his views on this subject, in which we have the familiar tone of the Fifth Monarchy man with a modern accent.

Coxey wrote and spoke with less theological fervor. But, like Browne, he was zealous against all interest-bearing bonds; the watchword of the Coxeyite agitation being "Death to the interest-bearing bond!"

The hundred wanderers who started from Massillon had swollen to 600 as the army marched through Homestead—Mr. Carnegie's Homestead—but when the perilous march across the snowy mountain had to be faced only 140 were found in line on the summit. The ranks were again recruited when the army approached Washington, but they never mustered 500 after Homestead.

The chief incident in the march to Washington was the crossing of the Blue Mountains in a snow storm. The passage was a good piece of stiff climbing, which was too much for all but 150. Of those who got through Browne said in a general order, "Your names will be emblazoned on the scroll of fame. As Henry V. said to his men after the battle of Agincourt, 'Your names will be as familiar as household words.'" A card of merit was issued to all who made the march in the following terms:—

The Commonweal of Christ: This certifies that John Souther, of group 3, commune 1, Chicago community of the Commonweal of Christ, is entitled to this souvenir for heroic conduct in crossing the Cumberland Mountains in the face of snow and ice, and despite police persecution and dissension breeders.

Their reception varied. Nowhere was it more enthusiastic than at Alleghany City, where the enthusiasm of the populace was in inverse proportion to the hostility of the police. The army was presented with a new banner bearing the following inscription in gilt letters on white silk:—

Pittsburgh and Alleghany. Laws for Americans. More money, less misery, good roads. No interest-bearing bonds.

After reaching the Chesapeake and Ohio canal the crusaders transferred themselves to two scows, which conveyed them for ninety miles in two days at so much freight per ton, each soldier being averaged at 150 pounds net weight. After they disembarked they resumed their march to the capital, and were on time on the proposed first of May. The purple banner of the Nazarene floated overhead, followed by the white standard of the Pittsburgh and Alleghany men, but not for all their banners or for all their eloquence were they allowed to approach the steps of the capitol. The police broke up the procession at the foot of Capitol Hill, and the leaders made an effort to cross the public grounds and carry out their design of addressing the crowd from the capitol steps. This was trespass in obedience to the ordinances protecting shrubbery and the sign "Keep off the Grass." Coxey was arrested and sent to prison for twenty days. The leaderless army found a temporary camp within the city limits. The authorities ousted them as a nuisance, and they retreated beyond the District to near Bladensburg, where they remained for some time,

a source of curiosity and dread, and undergoing the process of gradual disintegration. The first act of the Coxey demonstration thus came to an end without achieving its main object or any immediate result outside of the domain of the sensational. At his trial, Coxey had many voluntary defenders, among them members of Congress, of the Populist faith, but the law proved inexorable and he had to serve his term behind the bars like a common culprit.

The march to Washington from Massillon was child's play compared with the enterprise undertaken by the Commonwealers who started for Washington from the Pacific Slope. The distance, some 3,000 miles, was a longer walk than the Crusaders of the Middle Ages who started for the Holy Land, and the armies no sooner began to march than they discovered it was indispensable they should go by rail. As they had no money to pay for their freight, this necessity led them to seize railway trains. Sometimes they succeeded in inducing the railway companies to carry them. More frequently they seized goods trains and compelled the conductor to bring them along. But for this expedient they never could have crossed the great desert. There were two organized and partially armed bodies: General Frye's, who started from Los Angeles, and General Kelly's, which came from Sacramento. Of these Kelly's was much the larger and more formidable. It was twice threatened with Gatling guns. At Sacramento and at Utah it travelled alternately on foot, by rail, and then flat-bottomed boats, which it built on the Des Moines River. It was sometimes menaced by the authorities, and then *fêted* by the people. The Pacific armies said little about good roads. Their cry was State aid for the irrigation of the desert. They do not seem to have been acting in concert with Coxey, and General Kelly expressed himself

freely in criticism of Coxey's tactics. The most notable feature about their movements was the sympathy which they commanded along the line of their march. Not even the seizing of trains to the general dislocation of railway transit could alienate the support of the masses.

These bodies wrestled heroically with a much harder situation than that which confronted Coxey, not only as to the distance to be overcome, but because both the curiosity and the enthusiasm had dropped out of the movement by Coxey's failure. They struggled over tedious routes and were much affected by internal dissensions. At times they were divided into inconsequential divisions, with dim visions of their destination and object. At other times some of these divisions were entirely lost to view, and a few never came to light. It cannot be said that any of them ever reached Washington in originally organized shape. Those that arrived came in straggling bands, and not in sufficient numbers to attract wide-spread attention, excite alarm, or perfect the scheme of a grand, popular and united demonstration on July 4, 1894.

While this movement was on Major General Howard deemed it worthy of a critical contribution to the *North American Review*, in which he says: "The attempt to affect the United States legislation by organizing the unemployed into peaceful hosts and marching them, without previous furnishing of supplies, by the precarious means of begging their way for hundreds of miles, to the capital, appears to ordinary minds the height of absurdity. Yet notwithstanding an almost unanimous press against their contemplated expedition, notwithstanding the discouragement by members of Congress with hardly a dissenting voice, and all legal checks put upon them by State and United States executive power, Coxey's first contingent is already

in Washington, and Kelly's and Frye's and other divisions are on the road."

As to the motives of the men, General Howard inclined to the belief that the desire for notoriety did much to swell the rank and file. "Yet," he says, "the ideas which Coxey has proclaimed are not inconsistent with sincerity on his part, because the notion that those who occupy the seats of power can issue fiat money is the doctrine of a large number of our citizens."

Of the composition of the army he says: "Some of them are Socialists, and some have Anarchistic tendencies. Doubtless there are worthy men among them who have been thrown out of employment and who under the pinchings of poverty have not known which way to turn for relief. There are also numbers of very young men who have escaped from home control and enjoy any sort of exciting adventure, even though it may involve privation and hardship. The enrolled armies number from fifty to a few hundred each. Their leaders appear to have been elected, and they are denominated generals, and in fact 'the Commonweal' and Industrials have assimilated military nomenclature throughout. Every official has come to his position by the votes of those who serve under him.

"The purpose of the movement as expressed by Coxey's demands are: First, The repeal by Congress of all interest-bearing bonds and the issuance of $500,000,000 in irredeemable paper money; Congress to vest in municipalities the power to issue to the United States government non-interest bearing bonds, these bonds to be repaid at the rate of 4 per cent. per annum; Second, The revenue so authorized and raised is to be expended in the improvement and construction of public roads." Frye's demand is somewhat different—namely, government employment for all her un-

employed citizens, the prohibition of foreign immigration for ten years, and the exclusion of aliens from ownership of real estate in the United States."

General Howard then made some comparisons between this movement and an historical event of similar character: "On the eve of the French revolution there was a similar movement. It was of 'five hundred and seventeen men, with captains of fifteen and tens, well armed all; with musket on shoulder; sabre on thigh; nay, they drive three pieces of cannon; for who knows what obstacles may occur?' This army was organized in Marseilles and then marched to Paris. On their arrival we have this very remarkable speech from these Marseillais: 'We have come numbering five hundred to free ourselves from the oath which Marseilles has taken to fight for liberty; but liberty is not the cause of the king. When we go to shed our blood it is of importance to us to know whether we shed that blood for Louis XVI. or for our country. We ask you legislators to provide for our subsistence.' The coming of these men to Paris made the revolution an actuality. They struck the blow against the Swiss Guard, and became the nucleus round which all active revolutionists gathered."

While pointing out that the march to Washington was similar in character to that of over one hundred years ago on Paris, Major-General Howard did not think that the present movement would prove revolutionary in its effects. In his opinion it hardly more than emphasized the fact that representatives can never be self-constituted, and that they must be restricted by the will of those they represent. He felt sure that Congress would soon make such provision of law as would bring back the usual confidence among the people.

Another opinion entitled to great weight, as coming from

thoroughly acquainted with the discontented and criminal classes, is that of Thomas Byrnes, Superintendent of the New York Police Department. He said, in a deliberate review of the movement, in which he regarded it as the most dangerous this country has seen since the Civil War: "It is claimed the sympathy of the law-abiding and self-supporting population of the States, for the movement, has been shown by the gifts of food and help afforded. I have read the published accounts carefully, and I have noticed in every case that help, in whatever form, has been given to get the men to move away. The farmers are not to be blamed. They know from bitter experience what it means to have tramps in the neighborhood, they are powerless to defend themselves, and naturally they do anything to get rid of such unwelcome visitors. I would do the same were I in their place. There is a standing order on the Central Pacific Railroad forbidding conductors of freight trains to put off tramps. Why? Simply because there are hundreds of miles of wooden snowsheds on the roads, and when the tramps are put off they set these on fire. It is cheaper to carry them on the trains. It was cheaper for the farmers to feed the Coxeyites and haul them along the road than to have them stay. No doubt if the farmers could feed and transport the seventeen-year locusts and the army-worms, they would with pleasure. So they have fed and transported these army-worms."

Anent this, an able writer, who did not choose to rely on newspaper reports, visited Bladensburg to inspect for himself. He writes thus:—"In General Galvin's camp there were about 200 men, most of whom had come through from the Pacific Coast. Mr. Galvin explained that some hundreds who began the journey had dropped off at various points because they had found work. They

were very largely carpenters and members of the building trades. Those who remained and were in camp were nearly all quite young. They were very stalwart, pleasant, well-spoken fellows, for whose presence in Washington no real reason could be given except that which we gave last month—namely, that being temporarily out of work, and being restless and high-spirited, they had taken quite congenially to the idea of such an adventure as this trip to the nation's capital. They had not tramped, but had made their way on railroad trains, their fares being in part paid by the communities through which they passed. They were, quite largely, young fellows who had gone to the Pacific Coast from points further East, and had not acquired a very fixed domicile. They were ready enough to say—as they had been taught to say—that Congress ought to give work by proceeding to irrigate and improve the arid lands of the great West, and ought to shut down upon the importation of further foreign labor. But they were evidently ready for a good excuse to give up the mission and strike out for their own individual fortunes. In the Coxey camp nearby, there were about 400 men, of whom, perhaps, one in ten claimed to be a 'married man.' A little further inquiry generally revealed the fact that these so-called 'married men' were widowers without children, rather than men who had left hungry families behind them and had gone forth in sadness and despair to seek relief for those who were dear to them. From some slight knowledge of communistic experiments and Utopian colonies, the writer was strongly reminded by the Coxey camp of certain romantic characteristics that pertained to some of the attempts many years ago in the West to establish phalansteries on the Fourier plan, and that have marked other detached projects in the line of communism. The

Coxeyites had pitched their tents around three-and-a-half sides of a nearly square field, the middle of which had been converted into an excellent baseball ground. Good ball players were numerous among them, and spirited match games seemed to be a part of each afternoon's diversion. In the stream hard by were plenty of fish; and Chief-Marshal Carl Browne had procured seines with which it was proposed to obtain an abundant supply of that kind of food. The various squads of Commonwealers were vying with each other in the decoration of their tents and booths. They were laying out ornamental flower beds, and making much ingenious preparation of a festive nature in view of the approach of the 4th of July. They were all comfortable, and, so far as one could learn, were nearly all of them members of skilled trades. Most of them appeared to be from twenty to twenty-five years old. Inasmuch as the times were dull at home and they were out of work when they started for Washington, and inasmuch, furthermore, as they were not obliged to give support to dependent women or children, they felt at liberty to prolong somewhat indefinitely their quixotic sojourn at Washington. They were intelligent enough to enjoy the great notoriety they had attained. There was not a sick man in the entire camp, and not a particle of evidence of grief or distress or crushed spirits. The leaders were probably perplexed; but as for the men in the ranks, they were well aware that when the times improved, or the Coxey business was played out, they could find work at their trades. A good many of these men were from the industrial towns of Rhode Island and Connecticut, while Philadelphia was also well represented.

"The great object of the leaders was to save something of the prestige of the movement by organizing a 4th of

July demonstration which should give evidence of a most excellent patriotic feeling. Every effort was being made to get the much-delayed Kelly forces to Washington to participate in the parade on the Nation's birthday. It was also proposed by Marshal Carl Browne to bring into the line of march a good many thousands of the colored people of the District of Columbia. It was evident enough that so far as anything serious was concerned, the movement had fallen completely flat. Among the plain people of the District of Columbia, especially the working people, one discovered that great sympathy was felt for Coxey and the 'Industrials.' It was well nigh the unanimous opinion of the people that the reception of the Coxey army by the Washington police had been stupid and brutal in the extreme, and highly uncalled for by the facts of the situation. It was also held that the incarceration of Messrs. Coxey, Browne and Jones for twenty days, for the sole offence of having trodden upon the grass in the Capitol grounds, was an unmerited and extreme punishment. There was no sign of any policy on the part of Mr. Coxey except to endeavor to collect food enough to maintain the camp for some time to come, and thus to wait for something to turn up that would lessen the appearance of complete fiasco."

As Coxey's army approached Washington the Populist members of Congress took great interest in it, and assumed an attitude which, if it did not make them sponsors for the movement, was intended to encourage it. They held that these people were peaceful citizens coming to the Capital on a lawful errand, and that as petitioners they were entitled to a hearing upon the grievances they had come so far to declare. Senator Peffer presented a resolution to the effect that a Select Committee of the Senate should be appointed to receive and to listen to Mr. Coxey and his followers, and

he made sharp protest against the police preparations that were deemed necessary in the District of Columbia on account of the so-called invasion of the Industrials. Senator Allen, of Nebraska, made an able but inflammatory speech in support of the resolution, which brought upon him the severest criticism and censure. But in an after mood, and when subjected to a close interview, he repudiated the idea that he countenanced the movement. He said:—"I disapprove utterly of the marching of these industrial armies toward Washington, and see nothing to commend in Mr. Coxey's financial proposals. This movement is in no way connected with Populism, and the Populist party is not responsible for it. It might naturally be true that these men should look to the Populist party as the advocate of remedies for the conditions out of which their grievances arise, but that is all. I look upon Coxeyism as I do upon the foam that accumulates upon waters that are lashed by storm. It is simply the lighter part—the floating evidence that there is commotion in the water beneath, and that something under the surface, rocks perhaps, disturbs the calm. It has no other significance to me. It is like an unsightly eruption on the body politic, that is symptomatic of something wrong in the system. The boil on my hand is not the evil, but merely the evidence that there is impurity in the blood that flows hidden in the veins. So it is with the Coxey movement. Here are a lot of fellows that are out of employment. They know that they want work. They talk more than they reason. One fellow says it is this that will give relief, and another says it is that. There is no particular significance in their demands. Their idea in marching on to Washington is to demand that the government do something to afford relief. But all this is only the logical consequence of those conditions of which I have

been speaking. I have never been out to see the Coxey army, and have no sympathy with the movement or with its specific purposes. I had never heard of it until I read the newspaper accounts. I think it wholly visionary; but whether visionary or not, I would make the same arguments for the right of Mr. Vanderbilt in a peaceable manner to present his grievances, if he had any, that I would make, and have already made on the floor of the Senate, for Coxey. In this country men are upon an equality of rights, and they must be treated alike. This is as far as I have ever gone in behalf of the Coxey people."

THE PULLMAN BOYCOTT.

One of the most remarkable and determined issues ever presented by organized labor in the United States was that precipitated in June, 1894, by the American Railway Union, under the leadership of President Debs. This was a comparatively new national organization whose centre of activity was in the West, where by far its greatest strength lay. It had had a rapid growth, and believed itself strong enough to cope successfully, through the medium of a strike, with the railroads of the country.

President Debs was credited with great organizing and managing ability. He was fairly popular as a high labor official. There can be no doubt that he was familiar with the history of railroad strikes in the country, and knew the effects of strikes in general, not only as they bore upon all parties directly interested, but indirectly upon non-interested persons and communities, as well as upon property and values.

The conspicuous and remarkable feature about this strike was the absence of a direct cause. It was not a strike of railway employees against the companies for higher wages, nor against a reduction of wages. No grievance was alleged against the companies. It was what, in one sense, might be called a sympathetic strike, but may be better described as a "boycott."

The town of Pullman, Ill., is the site of the large car works of the Pullman Company, whose president was Mr. Pullman. Here were built those spacious cars, of special pattern, used for sleeping, dining and vestibule travel. These cars were leased or hired to the railroads on terms

specified in the contracts, and were in very general use. The populous town of Pullman had grown up around the large car works, themselves very extensive, and employing at times over 5000 workmen. The Car Company had been a prosperous concern, and had a capital stock in 1893 estimated at $36,000,000. In July, 1893, it employed 5816 persons. By reason of reduced orders, owing to the times, the number of employees was gradually cut down, till in the month of November, of that year, it stood at about 2000.

On the principle that it would prove cheaper to keep the works running even at loss, than to let them rust in idleness, the Company went into the market and secured contracts to build cars at reduced figures. The number of hands was now augmented, but with a decided cut in the wages of those who worked piece-work. On May 11, 1894, they struck and practically closed the works. The number at work on that date was about 4300. To the grievance of lowered wages, the strikers added the charge that the rent of the houses owned by the Company had not been correspondingly lowered. The strike was a stubborn, though peaceful one, its chief features being a flood of criminations and recriminations, and the continued refusal of the Company to treat with the labor organizations as such, or to submit its business affairs to a control outside of itself.

Thus far the issue was between the Pullman Company and its employees. But now the battle was taken up by the American Railway Union, on the principle, as mentioned in its circular ordering, or excusing, its action, that "The struggle with the Pullman Company has developed into a contest between the producing classes and the money power of the country. This is what Lincoln predicted at the close of the Civil War, and it was this reflection that gave the great emancipator his gloomiest forebodings.

GEO. M. PULLMAN,
President Pullman Palace Car Company.

We stand upon the ground that workingmen are entitled to a just proportion of the proceeds of their labor. This the Pullman Company denied them. Reductions had been made from time to time until the employees earned barely sufficient wages to live, not enough to prevent them from sinking deeper and deeper into Pullman's debt, thereby mortgaging their bodies and souls, as well as their children to that heartless corporation."

The plan of battle on the part of President Debs was to use the power of his organization to bring the Pullman Company to terms with its employees, and in order to do so most effectively the railroads were first asked to cancel their contracts with the Pullman Company and to refuse to haul or use Pullman cars on their roads. In other, and plain words, the railroads were invited to join the American Railway Union in a "boycott" of the Pullman manufactures. It is to be presumed that this request was made with a full knowledge of the legal consequences that would follow a violation of their contracts by the railways, and also with the knowledge that such a surrender to the Railway Union as the request implied would be to place the control of railway business virtually in its keeping.

Concomitantly with the above request, and in its support, the American Railway Union resolved that its members would refuse to handle Pullman cars and their equipments. This laid the foundation for what was soon to occur. Now the railways became alarmed and called a Session of their Association, called the "General Manager's Association." After full discussion of the serious situation, this Association decided that it could not concede the request of the American Railway Union to stop the running of Pullman cars; that to do so would subject the railways to endless lawsuits on their contracts; that it would be such a con-

cession as would place the control of the property and business for which they were responsible in strange hands; that the railways were not a party to the Pullman strike and knew nothing of its merits; that the demand was imperious and arbitrary and calculated to result in harm to labor and capital.

The American Railway Union chose to look on this action of the General Managers Association as a challenge to combat, and one of its circulars contained the following:

"The American Railway Union resolved that its members would refuse to handle Pullman cars and equipment. Then the railway corporations, through the General Managers' Association, came to the rescue and in a series of whereases declared to the world that they would go into partnership with Pullman, so to speak, and stand by him in his devilish work of starving his employees to death. The American Railway Union accepted the gage of war, and thus the contest is now on between the railway corporations united solidly upon the one hand, and the labor forces upon the other. Every railroad employee of the country should take his stand against the corporations in this fight, for if it should be lost corporations will have despotic sway and all employees will be reduced to a condition scarcely removed above chattel slavery; but the fight will not be lost."

With supreme confidence in the ability of the Union to fight a gigantic battle and win a decided victory, its Board of Directors decided to tie up the railway system of the country. On June 26th the movement began. On the 27th trains were abandoned in California. On the 28th the switchmen went out in Chicago. On the evening of June 29, 1894, the following order was issued:

"Call out everybody, and tie up all roads possible."

What had been a swift drift toward a culmination, within

the circles of the Railway Union, struck the outside world like an alarm, and completely paralyzed the railways. It was a repetition on a grander scale of the attempt made in 1892 by the Knights of Labor to paralyze the New York Central system, and which came with such suddenness as to effect its object for a brief while. But, in that instance, the resources of the managers, backed as they were by public opinion, which did not approve of this strike, were sufficient very soon to cope with the power of the Knights, and in a month that organization had sustained the worst defeat it has experienced excepting perhaps that one which it met with in its struggle with the Missouri Pacific system. It was the suddenness of the instant action of secret orders that caused a catastrophe as paralyzing for the moment as some tremendous convulsion of nature would have been. The surprise being overcome the means for also overcoming this power were speedily at hand. Would it prove so in this more general strike? As word of this greatest of modern railway strikes flashed over the country, there went with it the ominous announcements that railway after railway was being tied up by refusal of its engineers, firemen, switchmen, trainmen, yardmen and employees of every kind to handle forbidden cars. The torrent of refusal ran along with such impetuous speed that almost in a twinkling a dozen systems of railway, stretching from the Alleghanies to the Pacific, and representing 55,000 miles of track, were involved and crippled.

For the first day or two the manifestations of the strike were not of an unusual kind. President Debs had been particular to enjoin peace upon all strikers, but with his experience he must have known how impossible peace was in the midst of such passions as a strike is apt to stir up. Indeed, but a few years had passed since he was a high

official in the Brotherhood of Locomotive Firemen, and had opposed strikes on the principle that they were more harmful than advantageous to labor, and the secret of his success in building up the American Railway Union was largely attributable to his belief that such an organization could be founded on the principle of hostility to strikes.

Then began to follow those harrowing stories of hardship, violence and destruction inseparable from strike warfare. The roads centering in Chicago were helpless, for that was what may be called the grand objective point of the strike. Entry and departure of trains became an impossibility, as was also their running on the long stretches reaching to other cities, and especially on two of the through lines to the Pacific, the Northern Pacific and Southern Pacific. Tens of thousands of travelers were caught on their way and detained, at various obstructed points, much to their inconvenience and loss. At all these points arose huge blockades of freight cars, loaded with live-stock, fruits and other perishable commodities, to which delay meant total destruction. Shipments for quick delivery were suspended, and those for through delivery were compulsorily cancelled. Even where engineers, firemen and trainhands were willing to work, they refused to start trains and run the gauntlet of the mobs which grew hourly more furious, and resorted to stones and other missiles to drive the willing workers from their posts. Riotous demonstrations became more and more frequent, as passion became more heated. In the wake of these came the torch, and railway property of great value, mostly cars and station houses, fell a victim to the flames. Deaths were not infrequent from the use of stones and deadly weapons.

Very early in the strike, the railways began to call on the authorities for protection to their property and to their

EUGENE V. DEBS,
President American Railway Union.

business. And just here, the strike began to take on entirely new phases—phases which perhaps the leaders who were responsible for it had not fully calculated upon. The first phase was the exceeding firmness of the railways. They had not been so badly demoralized by the boldness and suddenness of the strike as to be beyond speedy recovery. The general labor conditions of the country were such as that they were confident of soon being able to recruit a new set of employees to take the place of the strikers, and to resume business, under the protection of the authorities. They therefore opened recruiting offices in various unaffected parts of the country, and soon had the promise of an ample supply of trained help. They carefully noted the movements of mobs, the extent of their losses, the attitude of the various responsible authorities, and all those matters which would enable them to render and collect bills of damages. Mayors of Cities, Sheriffs of Counties, Marshals of the United States, were called upon to extend the protection they were bound to give to property and the right to carry on business without molestation.

This call upon United States Marshals gave a second important phase to the strike. It had been nothing unusual for overpowered Sheriffs and daunted Mayors to call on the militia of the States for help to restore broken peace. Indeed the militia of half a dozen States had but just retired from the scenes of war incident to the strikes of the bituminous-coal miners, and all the forces of Alabama were still in the field. But this call upon the Marshals was a virtual call upon the United States Government to enter into the controversy and assert its majestic power. The justice of the call rested on three propositions; (1) that many of the obstructed roads were in the hands of receivers, and therefore subject to the control of

the United States Courts; (2) that most of the roads carried on commerce through several States, and therefore the Federal Government was bound to see that their commerce was not interfered with under the "Interstate Commerce Act;" (3) that the Federal Government was under the highest obligation to protect the carriage of its mails. The response came promptly from Washington that the Marshals must swear in deputies and organize such a temporary force as would secure the movement of all trains carrying United States mails.

The situation now assumed its extreme tension. The General Managers' Association issued a manifesto, conceding the magnitude of the strike, and the embarrassment it was causing, and announcing that it was recruiting trained help in the East and was authorized to pledge it the protection of the Chicago authorities, as well as of Cook County and the entire State of Illinois; and that "The companies have no idea of entering into a compromise with the strikers on any basis whatever. The railroad companies fail to see the justice of the position taken by the A. R. U. of fighting Mr. Pullman over the heads of the railroad companies, who have no control over Mr. Pullman's movements or his manufacturing business. The men who are now on strike are considered as employees who have resigned their positions and who are not anxious for work."

This narrowed the controversy to what looked like a war of annihilation between the General Managers' Association and the American Railway Union. It intensified the bitterness of the strife, and from that time on every moment seemed to foreshadow bloody clashes between the strikers and the armed authorities. Sheriffs and their posses, Marshals and their deputies, Mayors and their police, were met everywhere by resolute bands of strikers,

and prevented from moving interdicted trains. Defiance was bold and determined wherever the authorities presented themselves in organized shape. The United States Courts came into requisition with their restraining orders. As defiance took wider and more determined form, and law assumed the shape of judicial decree, the strike grew more and more into the proportions of a grand conspiracy against the peace and the public welfare of the land. The strikers became subject to arrest upon warrants as conspirators.

And now appeared another phase of this remarkable strike. It began to awaken a public sentiment which was adverse to it. This had not been the case with most strikes. There was more of a lesson in this than any other. Perhaps it lacked the dignity of a great underlying cause. Perhaps its leadership was not inspirational. Perhaps its methods were defective, and its time inopportune. At any rate the country at large never before stood in such awe of a strike, and never so flatly refused to extend sympathy or remain neutral. It even failed to commend itself to the other national labor organizations as politic and wise. It seemed appalling, especially in the midst of apprehension as to the general labor situation, that one man, or a coterie of men should, without any of the forms or sanctions of law, and upon a pretext of a private nature, have power to draw the fires and stop the wheels of locomotion on 55,000 miles of railway, and to visit upon merchants, manufacturers, consumers, travelers and other innocent parties the penalties which were originally intended for a single corporation. This phase of the strike became the subject of wide newspaper and magazine discussion. It attracted the attention of economists of every school, of sociologists, of labor leaders, of legislators, and finally the general public, in a way that was serious and profound.

July 3, 1894, was a momentous day for the cause of the strikers. They were supreme at every pivotal point, and apparently counted on the sympathy, or indifference of the Chicago authorities as well as those of the State of Illinois. They confronted the United States Marshals in such numbers and with such firmness as to negative all their efforts to start trains and protect their running. They paid no attention to the injunctions of the Federal Court, except to laugh at them, and tear them up before the Marshals. When the Court found itself helpless by defiance of its processes, President Cleveland was informed of the situation, and he resolved to call on the military forces of the United States to protect the mails and enforce the provisions of the laws as to interstate commerce. A regiment of regulars was at once ordered to Chicago and placed under the direction of General Miles, with full authority to reinforce himself as emergency required, and with instructions to use the troops only as he ordered and not through any of the civil officials.

This may be called the culminating point of the strike. The order of the President produced great indignation among the strikers and drew from them the bitterest denunciations. The arrival of the troops in Illinois excited the Mayor of Chicago and the Governor of the State to violent protest against this invasion of State rights, and this reflection on the ability of the local authorities to suppress their own tumults and protect their own property and the lives of their citizens. It drew protest from the governors of two other States, as an unwarranted interference with State rights. Senator Kyle, of South Dakota, introduced a resolution in the Senate having for its object to forbid the United States Courts from issuing processes against or causing the arrest of persons interfering with

interstate commerce till their guilt had been proved, but it found no support in Congress, outside of the representatives of Populism. Perhaps the best reflection of the general sentiment in congress as to this resolution came from Senator Palmer, of Illinois, in response to a request to support the Kyle resolution:—

A. J. Smith, Esq., Danville, Ill. My Dear Sir:—I cannot support Senator Kyle's resolution. The power of Congress to regulate commerce with the foreign nations and among the several States, and its power to establish post offices and post roads are alike comprehensive and equally obligatory upon the Congress of the United States. Senator Kyle's resolution proposes to withdraw the commerce between the States from the protection of Federal laws and also invites lawlessness. I favor labor organizations, but cannot consent that they shall undertake to control the commerce between the several States of the Union, nor can they adopt or enforce measures which will operate to embarrass interstate commerce, as Mr. Kyle's resolution, if it was adopted by Congress. The strength of the labor organizations depends upon their obedience to law and a proper regard for the rights of the people of the country, whose welfare depends upon free commerce between the States. Very respectfully,

JOHN M. PALMER.

The decision of the President, backed as it was by an almost universal and a pointedly patriotic sentiment, together with the appearance of the regular troops in the States of Illinois and California, centres of greatest interference with business and points of greatest danger, at first dazed the leaders of the strike and demoralized the strikers. President Debs was reported as despairingly saying, "If we lose the fight, the Brotherhood of Locomotive Engineers, the Firemens' Union, the Brakemens' Union, and all the railway employees' Unions might just as well go out of existence. We can't fight the whole United States Government, and when such plutocrats as Olney appoints a railroad corporation lawyer like Edwin Walker

to oppose us, we cannot expect to get a fair deal. If Arthur, Clark and Walkinson and the other union leaders wish to have union labor on the railroads treated in the future as men should be treated they will order their men to quit until the boycott matter is settled."

The more the strike assumed the form of hostility to federal authority, and the deeper it was studied in all its bearings on the public welfare, the more it seemed to take on, in its legal, or rather illegal, aspects the shapes of anarchy and rebellion. One learned constitutional lawyer saw constructive treason in the effort of the leaders and strikers to interfere with the government in the carrying on of its functions. Notwithstanding the protests sent to President Cleveland, he remained firm, and replied deferentially.

In a day or two the strikers seemed to recover their courage, and, as usual at such a juncture, it was the desperate courage of despair. In California it took the form of destructive violence, and in Chicago that of threatening ferment which boded outbreak of the most dangerous kind. General Miles felt the necessity of further reinforcements. To add to the intensity of the excitement, word was passed that Grand Master Sovereign of the Knights of Labor had come to the rescue of the American Railway Union by ordering a strike on the part of his powerful order. This would be to double if not treble the army of strikers. It must be said with regret that at this critical juncture the sentiments of President Debs, as reported, were not of a kind to calm agitation and win the respect he coveted as a level-headed labor leader. The assertion that the "first shot fired by the regular soldiers would be the signal for a civil war" was highly inflammatory; and the additional assertion that "ninety per cent. of the population would

array themselves against the Federal authorities" showed an unpardonable ignorance of existing public sentiment.

On July 7th the strike assumed its most incendiary aspects. Great numbers of cars were burned at Morgan Park, near Chicago, and other incendiary demonstrations were made which engendered fear for the safety of the city. Governor Altgeld ordered the State militia to be sent to the help of Mayor Hopkins, at the same time aiming a second protest at President Cleveland. President Debs felt the gravity of the situation and issued a manifesto to the strikers counselling restraint from lawlessness. Several conflicts occurred between bands of strikers and the police and marshals, even in sight of the regulars whose forbearance alone prevented general bloodshed. A company of State militia fired into a crowd of rioters with fatal effect. The reign of terror was complete. The developments of every hour were awaited with trembling. Passion was ready to burst out in its most lurid and destructive forms.

At this point it is proper to compare this strike with one or two other railway strikes to see how law triumphed in the end. In 1892 the employees of the New York Central system suddenly struck and took possession of the company's property in Buffalo. From control they passed to lawlessness, even to violence, and the Governor was appealed to by the Sheriff, who declared that he was unable to cope with the mob.

Governor Flower obtained an impartial and exhaustive statement of the situation as speedily as possible and from it was made aware that the property of citizens of the State had passed from their control by lawless means and would be kept from their control by such means. The Governor acted upon the instant. The wires were hot with messages to the commanding officers of the State militia. Troops

were concentrated upon Buffalo. The military officers were instructed that they had nothing to do with the strike, were to sympathize neither with one side nor the other, were to compel men neither to return to work nor to remain in employment, but their duty was simply to protect property, and they were to protect it at any cost of life if such sacrifice were necessary.

Within a few hours the mob, justifying themselves as striking laborers, were confronted by the militia and realized instantly that the militia were not there either on a picnic or dress parade. It also realized that its only duty as a body of militia was to protect property and to protect the owners of the property in their control of it; in other words, to protect the lives and persons of new employees who had taken the places of those who went out. There were anathemas, there were curses, there were complaints that the Governor was using the militia of the State as the servant of the corporations, but there was also an immediate suppression of violence, perfect protection of property and the control of their roads was returned to the companies which owned them. With the return of that control of those who owned the property the strike of course ceased.

On July 16, 1877, the great railroad strike of that year began on the Baltimore & Ohio Road, by about 40 brakemen and firemen, who struck against a reduction of wages. It extended to Wheeling and Chicago, necessitating the calling out of troops in West Virginia and Ohio.

On July 19, 1877, the Pennsylvania Railroad employees took up the cause of their brethren, and instituted a strike at Pittsburg. As soon as the trouble began the authorities of the city of Pittsburg were notified and their aid invoked to suppress the disturbance. Their efforts proved

JOHN P. ALTGELD,
Governor of Illinois.

unsuccessful. The Sheriff of Allegheny County, in accordance with law, made a requisition upon the Governor for a military force, which was promptly furnished. In endeavoring to restore order a collision occurred between the troops and the mob on July 21, in which several soldiers and a number of rioters were killed and wounded. The rioters were then joined by large numbers from various manufactories and mines in the city of Pittsburg and its vicinity, and further reinforced by the idle and vicious classes which exist in all large communities, and which were attracted to the spot by the opportunity offered for plunder and pillage. On the night of July 21-22, a terrible destruction of property occurred, and the movement of freight trains through Pittsburg was entirely prevented. This state of things continued practically until July 28. During the interval Governor Hartranft, having reached the city, assumed command of the State troops, which had been reinforced by detachments of United States regulars and marines forwarded by the General Government on the Governor's requisition. The Governor at once inaugurated the most energetic measures for the restoration of peace and order, and arrangements were made through which the freight traffic of the road was resumed on the following morning, and many of the ringleaders in the disturbance were arrested by the civil authorities. By that time the citizens of Pittsburg, appreciating the responsibility resting upon them, had measures taken to strengthen the hands of the civil authorities, to enforce the law and restore order, and thus enable the public to resume their business without further molestation. The railroad estimated its loss in this strike at $5,000,000. It sued the city and secured a judgment for $3,000,000.

On July 8, 1894, the Chicago situation was regarded as

so serious by the Government that President Cleveland issued a proclamation to the following effect and applying to Chicago and the State of Illinois:

"Now, therefore, I, Grover Cleveland, President of the United States, do hereby admonish all good citizens and all persons who may be or may come within the city and State aforesaid, against aiding, countenancing, encouraging, or taking any part in such unlawful obstructions, combinations and assemblages; and I hereby warn all persons engaged in or in any way connected with such unlawful obstructions, combinations and assemblages to disperse and retire peaceably to their respective abodes on or before 12 o'clock noon, on the ninth day of July instant.

"Those who disregard this warning and persist in taking part with a riotious mob in forcibly resisting and obstructing the execution of the laws of the United States, or interfering with the functions of the Government, or destroying or attempting to destroy the property belonging to the United States or under its protection, cannot be regarded otherwise than as public enemies.

"Troops employed against such riotious mob will act with all the moderation and forbearance consistent with the accomplishment of the desired end, but the necessities that confront them will not, with certainty, permit discrimination between guilty participants and those who are mingled with them from curiosity and without criminal intent. The only safe course therefore for those not actually unlawfully participating is to abide at their homes, or at least not to be found in the neighborhood of riotous assemblages.

"While there will be no hesitation or vacillation in the decisive treatment of the guilty, this warning is especially intended to protect and save the inncent."

This was tantamount to a declaration of martial law, and

greatly strengthened the hands of General Miles. The general sentiment back of the proclamation was unmistakable, and no feature of it was so assuring as that which constituted the patriotic outcrop of labor in organized and unorganized forms, and in sections of the country beyond the immediate influence of the strike.

On July 9, President Cleveland extended his proclamation to North Dakota, Montana, Idaho, Washington, Wyoming, Colorado, and California. The Pullman Company which had been importuned to arbitrate the difficulty with its employees, gave out that it had nothing to arbitrate. This refusal foreshadowed a general strike of all the trades in Chicago, and the speedy operation of Master Sovereign's threat to call out the Knights of Labor. Though the situation was not so incendiary as it had been, it was really fuller of complications. All was cloud and uncertainty, and the commercial hardships of the strike were being felt throughout the entire country. Trains were moving in and out of Chicago, but under strong military escort; in fact, the military had full sway, which was the best guarantee of peace the situation afforded.

On July 11, the labor leaders made their calls for a universal strike. All the workmen, of whatever order, were expected to respond in Chicago, and to add 100,000 men to those already out. Master Workman Sovereign made his call on the Knights of Labor to join the army of strikers. President Debs was arrested upon a charge of inciting to insurrection and conspiracy and violating the injunction issued by the Federal Courts restraining interference with the United States mails and with interstate commerce, and he was indicted before a special Federal Grand Jury called to inquire into the strikes. At this point labor leaders and strikers, employers and employees, lawyers and judges,

citizens of every class, were given to understand, as they never had opportunity to understand before, the relationship of the labor cause to other causes and of the labor organizations to other organizations. This came about in the very able and lucid charge of Judge Crosscup to the Federal Grand Jury at Chicago on July 10th, in which he said:—

"Gentlemen of the Grand Jury:—You have been summoned here to inquire whether any of the laws of the United States within this Judicial District have been violated. You have come into an atmosphere and amid occurrences that may well call reasonable men to question whether the Government and laws of the United States are yet supreme. Thanks to resolute manhood and to that enlightened intelligence which perceives the necessity of a vindication of law before any other adjustments are possible, the Government of the United States is still supreme.

"You doubtless feel, as I do, that the opportunities of life, under present conditions, are not entirely equal, and that changes are needed to forestall some of the dangerous tendencies of current industrial life. But neither the torch of the incendiary nor the weapon of the insurrectionist nor the inflamed tongue of him who incites to fire and sword is the instrument to bring about reforms. To the mind of the American people, to the calm, dispassionate, sympathetic judgment of a race that is not afraid to face deep changes and responsibilities there has as yet been no appeal. Men who appear as the champions of great changes must first submit them to discussion—discussion that reaches, not simply the parties interested, but the wider circle of society and must be patient as well as persevering until the public intelligence has been reached and a public judgment made up. An appeal to force before that hour is a crime, not only against the Government of existing laws but against the

cause itself; for what man of any intelligence supposes that any settlement will abide which is induced under the light of the torch or the shadow of an overpowering threat.

"The Government of the United States has enacted laws, first to protect itself and its authority as a Government; and secondly, to protect its authority over those agencies to which under the Constitution and laws it extends Governmental regulations.

"For the former purpose—namely, to protect itself and its authority as a Government—it has enacted that 'every person who entices, sets on foot, assists or engages in any rebellion or insurrection against the authority of the United States or the laws thereof, or gives aid or comfort thereto;' and, 'any two or more persons in any State or Territory who conspire to overthrow, put down or destroy by force the Government of the United States;' 'or to levy war or by force to prevent, hinder or delay the execution of any law of the United States, or by force to seize, take or possess any property of the United States contrary to the authority thereof,' shall be visited with certain penalties therein named.

"'Insurrection is a rising against civil or political authority; the open and active opposition of a number of persons to the execution of law in a city or State.' Now the laws of the United States forbid, under penalty, any person from obstructing or retarding the passage of the mail and make it the duty of the officer to arrest such offenders and bring them before the court.

"If, therefore, it shall appear to you that any person or persons have wilfully obstructed or retarded the mails, and that their attempted arrest for such offence has been opposed by such a number of persons as would constitute a general uprising in that particular locality, and as threatens, for the

time being, the civil and political authority, then the fact of an insurrection within the meaning of the law has been established. And 'he who by writing, speech, promises or other inducements assists in setting it on foot or carrying it along, or gives it aid or comfort, is guilty of a violation of the law.' It is not necessary that there should be bloodshed; it is not necessary that its dimensions should be so portentous as to insure probable success to constitute an insurrection. It is necessary, however, that the rising should be in opposition to the execution of the laws of the United States and should be so formidable as for the time being to defy the authority of the United States. When men gather to resist the civil or political power of the United States or to oppose the execution of its laws, and are in such force that the civil authorities are inadequate to put them down, and a considerable military force is needed to accomplish that result, they become insurgents, and every person who knowingly incites, aids or abets them, no matter what his motives may be, is likewise an insurgent.

"This penalty is severe and, as I have said, is designed to protect the Government and its authority against direct attack.

"The Constitution places the regulation of commerce between the several States, and between the States and foreign nations, within the keeping of the United States Government. Anything which is designed to be transported for commercial purposes from one State to another, and is actually in transit, and any passenger who is actually engaged in any such interstate commercial transaction, and any car or carriage actually transporting or engaged in transporting such passenger or things, are the agencies and subject-matter of interstate commerce, and any conspiracy

in restraint of such trade or commerce is an offence against the United States.

"But to complete this offence, as also that of conspiracy to obstruct the mails, there must exist in addition to the resolve or purpose the element of criminal conspiracy.

"What is criminal conspiracy? If it shall appear to you that any two or more persons corruptly or wrongfully agreed with each other that the trains carrying the mails and interstate commerce should be forcibly arrested, obstructed and restrained, such would clearly constitute a conspiracy.

"If it shall appear to you that two or more persons corruptly or wrongfully agreed with each other that the employees of the several railroads carrying the mails and interstate commerce should quit, and that successors should by threats, intimidation or violence be prevented from taking their places, such would constitute a conspiracy.

"I recognize, however, the right of labor to organize. Each man in America is a free man, and so long as he does not interfere with the rights of others he has the right to do with that which is his what he pleases. In the highest sense a man's arm is his own, and aside from contract relations no one but himself can direct when it shall be raised to work or shall be dropped to rest. The individual option to work or to quit is the imperishable right of a free man. But the raising or dropping of the arm is the result of a will that resides in the brain, and much as we may desire that such wills should remain entirely independent, there is no mandate of law which prevents their association with others and response to a higher will. The individual may feel himself alone unequal to cope with the conditions that confront him, or unable to comprehend the myriad of considerations that ought to control his conduct. He is entitled

to the highest wage that the strategy of work or cessation from work may bring, and the limitations upon his intelligence and opportunities may be such that he does not choose to stand upon his own perception of strategic or other conditions. His right to choose a leader, one who observes, thinks and wills for him—a brain skilled to observe his interest—is no greater pretension than that which is recognized in every other department of industry. So far and within reasonable limits associations of this character are not only not unlawful, but are in my judgment beneficial when they do not restrain individual liberty and are under enlightened and conscientious leadership.

"But they are subject to the same laws as other associations. The leaders to whom are given the vast power of judging and acting for the members are simply in that respect their trustees; their conduct must be judged like that of other trustees by the extent of their lawful authority and the good faith with which they have executed it. No man in his individual right can lawfully demand and insist upon conduct by others which will lead to an injury to a third person's lawful rights. The railroads carrying the mails and interstate commerce have a right to the service of each of its employees until each lawfully chooses to quit, and any concerted action upon the part of others to demand or insist under any effective penalty or threat upon their quitting to the injury of the mail service or the prompt transportation of interstate commerce is a conspiracy, unless such demand or insistence is in pursuance of a lawful authority conferred upon them by the men themselves, and is made in good faith in the execution of such authority. The demand and insistence, under effective penalty or threat, and injury to the transportation of the mails or interstate commerce being proven, the burden falls upon those

making the demand or insistence to show lawful authority and good faith in its execution.

"I wish again, in conclusion, to impress upon you the fact that the present emergency is to vindicate law. If no one has violated the law under the rules I have laid down it needs no vindication; but if there has been such violation, there should be quick, prompt and adequate indictment.

"I confess that the problems which are made the occasion or pretext for the present disturbances have not received the consideration they deserve. It is our duty as citizens to take them up, and by candid and courageous discussion ascertain what wrongs exist and what remedies can be applied. But neither the existence of such problems nor the neglect of the public hitherto to adequately consider them justifies the violation of law or the bringing on of general lawlessness. Let us first restore peace and punish the offenders of the law and then the atmosphere will be clear to think over the claims of those who have real grievances. First vindicate the law. Until this is done no other questions are in order."

Thus the judicial and moral forces of the Government were made to supplement its armed forces. The strikers were being surrounded by situations they had never expected to face. They saw trains moving in spite of their efforts, and under military guards too large to be coped with and too earnest to be trifled with. The court injunctions which they had laughed at now began to have an ominous meaning, and the words of the Judges which coupled them with conspiracies and insurrections had an appalling sound. The local labor unions whose co-operation had been so heartily promised failed to influence their men to the extent expected. Master Workman Sovereign's call on the Knights of Labor for a general strike seemed to

have fallen on dull ears. That stupendous sympathetic movement of labor which had been so confidently counted on, those 1,000,000 of men who were to quit work and rally around the standard of the American Railway Union, failed utterly to materialize. Despondency began to usurp the place of hope in the bosom of the strikers. Word began to come from many affected sources that large bodies had given up in disgust and returned to work. The railways were in daily receipt of detachments of help from other sections of the country. Only in California was there manifest that determination to fight to the death that had started and upheld the strike till now.

By July 12th the confession of weakness became almost general among the strikers. Surrenders grew more and more frequent. Their blockades were broken or abandoned. Trains began to run on schedule time, and with less and less armed protection. The cases of violent interference became more sporadic. The incendiary spirit subsided rapidly. The leaders, however, remained confident, and stimulated their forces with hopeful manifestoes. This was hardly true, however, of Master Workman Sovereign, for he issued something which was construed as a recall of his order for a general strike, and which was regarded as an effort to gloss a failure on his part.

Labor leaders of the national organizations met in Chicago to consult respecting the situation and over the propriety of a universal strike. Perhaps the strongest mind present was that of President Gompers, of the American Federation of Labor. He counseled moderation and hoped for such a solution of existing difficulties as would restore business activity, yet secure the rights of labor. It was apparent that the strike could hope for no encouragement

from such a source; indeed the Federation prepared and issued an address in which it said:

"We are forced to come to the conclusion that the best interests of the unions affiliated with the American Federation of Labor demand that they refrain from participating in any general or local strike which may be proposed in connection with the present railroad troubles. In making this declaration, we do not wish it understood that we are in any way antagonistic to labor organizations now struggling for right or justice, but rather to the fact that the present centre has become surrounded and beset with complications so grave in their nature that we cannot consistently advise a course which would be to add to the general confusion."

President Debs still refused to recognize the defeat of the strike, but insisted that it was still on and that it would succeed in the end. The rapid revelations of each and every hour were, however, against him. More and more the cars moved; more and more the strikers gave over the unequal contest and sought their old places, angered equally at their failure and folly, trusting rather to their own judgment of the future than to the judgment of their leader.

By July 15th the General Managers' Association of Railways gave it out that they regarded the efforts of the American Railway Union as fully and finally defeated, and the organization as practically dead. General Miles awaited orders for the removal of the regular troops from Chicago. President Debs, however, refused as firmly as ever to admit defeat. He claimed that organized labor all over the country was sure to come to his aid, but in the midst of his hopeful views confessed that more weakness had been shown in Chicago, the heart and centre of the strike, than anywhere else. It was evident that his hopes

of success depended more on the situation west than east of the Mississippi. It was evident, too, that his confidence was not shared by the majority of his association, and that there had been a rapid diminution of respect for a judgment which but a few weeks before had been almost imperial. If the strike was still on, it was more a form than fact, for it had lost cohesive force, and become chaotic and utterly despairing.

On July 17th the strike took an entirely new phase by the arrest of President Debs and other officers of the American Railway Union at the instance of the United States Circuit Court, for violation of its injunction forbidding interference with the mails and interstate commerce. They were held to bail, but refused to give it, and were imprisoned. By the 19th both the regular troops at Chicago, and the State militia at various points, except Chicago and Pullman, were under orders to retire from the scene of action, the authorities being satisfied that the situation warranted their withdrawal. On that day, too, the Federal Grand Jury met in Chicago and returned numerous indictments against President Debs and his associates for criminal conduct in conspiring to interfere with the rights of citizens to ship goods from one State to another, and for inciting to riot and destroying property.

On July 22d President Debs published a letter addressed "to the American public," in which he said:—

"We propose that the Pullman Company shall be brought to justice and this in a way that will not necessitate a strike with its attendant ills.

"We have faith in the American people; they uphold justice; they love fair play. And now, in the name of justice and fair play, we appeal to the great American public, to every good man and every good woman, not to

ride in a Pullman car until the Pullman Company does justice to its employees. Let the cars run absolutely empty. No friend of humanity will occupy a seat or berth in a Pullman car. Let this policy be inaugurated and we will then see how long the railway companies will be bound by their contracts, as they have induced the public to believe, to haul Pullman cars.

"We propose to continue this fight against the Pullman Company through good and evil report and without regard to consequences until justice shall be done. There will be no surrender. We will use every available and lawful means to press the contest.

"It is requested that all papers throughout the land favorable to labor, to justice, to humanity, copy this statement in full and keep it standing as long as possible."

On the same date the indicted strikers joined issue with the Government in what bade fair to become one of the most important legal battles of the day, and one whose determination would, in point of time, extend far beyond the direct influences of the strike. Their presentation of a defence was the best outline of the objects and purposes of the organization, and of its intent in resorting to a strike, that had thus far appeared. It presented the case of the strikers with a deliberation impossible by the leaders during the excitement of the strike, and may be said to have contained all that could be offered in the nature of a legal defence. The gist of the defence was an admission that the American Railway Union existed and was officered as alleged by the Court, but a denial that said officers had the power to order a strike, or had ever ordered one, or had ever counseled violence in connection with one. They alleged that the strike was the result of a majority vote by the members of the Union, and did not come about

through its officers, and that the telegrams ordering strikes had never been sanctioned or sent by its officers, excepting the one of July 6, 1894, which read:—

"We have assurance that within forty-eight hours every labor organization in this country will come to our rescue. Every true man must quit now and remain out until the fight is won. There can be no half-way ground. Our cause is gaining ground daily and our success is only a question of a few days. Labor must win now or never. Our victory will be positive and complete."

After the preliminary steps in the cases were taken, there was a general agreement to postpone further action for a time sufficiently remote to allow the passions engendered by the strike to subside. Meanwhile President Cleveland appointed a commission to investigate the conditions which brought about the strike, composed of Carroll D. Wright, Commissioner of Labor, John D. Kernan, N. Y., and Nicholas E. Worthington, Ill. On August 5th, 1894, the delegates of twenty-four local Unions met in Chicago and formally declared the strike off, except in so far as the respective local Unions chose to assume the responsibility of further local contention. On the 7th the Governor of Illinois called home the troops from Pullman and Chicago.

Thus passed into history, after a bitter issue of forty days' duration, one of the most remarkable strikes of the age. It was a failure as to its direct aim, and disastrous in the extreme as to its immediate bearings on the cause of organized labor. As to its more remote results, the solution must be left to time. No one can doubt that it was fruitful of lessons for labor and capital, for politician and economist, for the sociologist and ethical scholar. It became the subject of long and profound study, and furnished volumes of labored comment as to its causes, conduct and consequences.

THE WILSON TARIFF BILL.

In his message to the Fiftieth Congress, December 5, 1887, President Cleveland took direct issue with the doctrine of American Protection, and in such a way as to leave no doubt of his intention to commit his party to what he called "tariff reform." His message, on that occasion, was a brief paper of 4500 words, and an entirely new departure in the way of annual messages. It made no allusion to the various matters of moment presented by the heads of departments in their annual reports, nor to any contemplated measure of national import, save that branch of finance which concerned taxation, customs duties and the Treasury surplus. In this respect it was a special paper, rather than an executive review of the affairs of the whole country, and was manifestly called forth by an existing party demand for definite party action during the session of the Congress.

This important message indicated a wide departure of the President from the position held by him in former messages, and a seemingly sudden conversion to the free-trade tendency of a majority of his party. It was a surprise to all except the initiated, and was as widely discussed by friends as by foes.

The friends of the President saw in it a bold, clear statement of the true situation, and they accepted it as a timely and strategic declaration of the principles of Democracy as they must take shape in the coming presidential campaign. Indeed the radical free-traders of the party hailed it as high evidence of the progress of their cause, and rejoiced over so

signal a recognition of their views by one so exalted as the President of the United States.

On the other hand, the more conservative element of the party, known as the "Protection," or "Revenue Reform," element, did not look upon it kindly. They regarded it as an unwise paper at that particular juncture, and as containing the seeds of disaster to the party, while its direct effect was to crush them as a powerful minority factor inside of the party, or perhaps drive them out forever.

The Republicans accepted it as a direct offer of battle between the forces of Free-trade and Protection, not only in the halls of Congress but in the approaching campaign. They regarded the plea of "tariff reform" as a disguise for ultimate "free-trade," and criticised the message for its lack of new and convincing arguments, for its harsh discrimination against the protective system in general, and the item of wool which was specially attacked, and for its unnecessarily bitter spirit, as evinced by several passages they picked out, such as, "But our present tariff laws, the vicious, inequitable and illogical source of unnecessary taxation ought to be at once revised and amended."

The Republicans further looked upon the message as disingenuous and illogical in the respect that while the President professed to be moved by an earnest and honest desire to reduce the surplus in the Treasury by reducing the burdens of taxation, he entirely overlooked the very easy, speedy and popular means of doing it by abolishing the internal revenue taxes—a set of taxes always denounced by Democrats as odious to the masses, iniquitous in principle and savoring of war times,—but instead, selected as a means that which would prove a direct and forcible blow to American industries and the entire system of protection; also a means which would not work out in practice, since

to reduce duties on articles of import below the point of protection was but to invite larger imports of those articles and therefore an equal if not an increased revenue.

In pursuance of Mr. Cleveland's message and the general obligation his party was under to speed the cause of "tariff reform," a tariff measure was formulated in the House and championed by Mr. Mills, of Texas, wherefore it became known as the "Mills Bill." It was early evident that this bill would become an absorbing measure of the session, and that party lines would be closely drawn upon it, save as Mr. Randall and his followers chose to divert a Democratic contingent into Republican channels.

The "Mills Bill" had for its cardinal principle a general lowering of the scale of duties on imports, and a wide enlargement of the free-list by placing thereon articles classed as raw materials, among which was wool. It made a slight reduction in the internal revenue tax on tobacco, and left the tax on whisky untouched, except as to the product of small stills. It was not passed in the House until July 21, 1888, and then by a vote of 162 to 149 against. Its course through the House had consumed so much time, and, moreover, it was so hostile to a majority of the Senate, that it was not taken up for discussion by that body, but a counter bill was drawn and discussed, which embodied more fully the economic views of the Senate's majority. These two bills cast the Democratic majority in the House and the Republican majority in the Senate hopelessly wide apart in their economic views, and as each had provided all the issues requisite for the presidential campaign, tariff legislation for the session ended.

In the St. Louis National Convention of 1888, the Democrats re-nominated Mr. Cleveland, endorsed his celebrated "tariff reform" message of 1887, and incorporated a plank

in the platform which affirmed the principle of tariff reductions. On the issues thus presented to the country, Mr. Cleveland was defeated, but in his message to the second session of the Fiftieth Congress, December 3, 1888, he reaffirmed his devotion to the cause of tariff reform, and expressed faith in its ultimate triumph. Notwithstanding his heroic attitude, the Democrats in the House failed to formulate a tariff bill which embodied their convictions. The Senate passed the bill; it had been drawn and discussed at the former session. When it was sent to the House, it did not even provoke a general debate, but became the victim of compromises and substitutes, all of which were either lost by direct votes or defeated by dilatory tactics. Thus tariff legislation for the session, and the Fiftieth Congress, failed to take practical form.

It is not our object here to tell of how the Republican majority in the Fifty-first Congress, small though that majority was, took prompt advantage of its opportunity and enacted the McKinley tariff measure, a measure which embodied the doctrine of protection as then entertained by the Republican party, to a fuller extent than any preceding act. The underlying principles and cardinal features of this have been treated of elsewhere. This act, so thoroughly protective, so novel in the respect that introduced the doctrine of reciprocity, and so defiant of the Democratic attitude for the past few years, seemed to encourage rather than dampen Democratic opposition. The party went bravely and somewhat vindictively before the country in the Congressional elections of 1890, with hardly any issue in hand save determined hostility to the Republican doctrine of protection. It pictured in lurid colors the calamities that were sure to follow in the wake of the McKinley Act, and denounced it so vigorously on the stump as to swing the

sentiment of two years before so far around that reverses far more disastrous than those of 1882 fell upon the Republicans. Their majority in the Fifty-first Congress was turned into a decided Democratic majority in the House of the Fifty-second Congress, and besides this they lost Governors and Legislators in many strong Republican States.

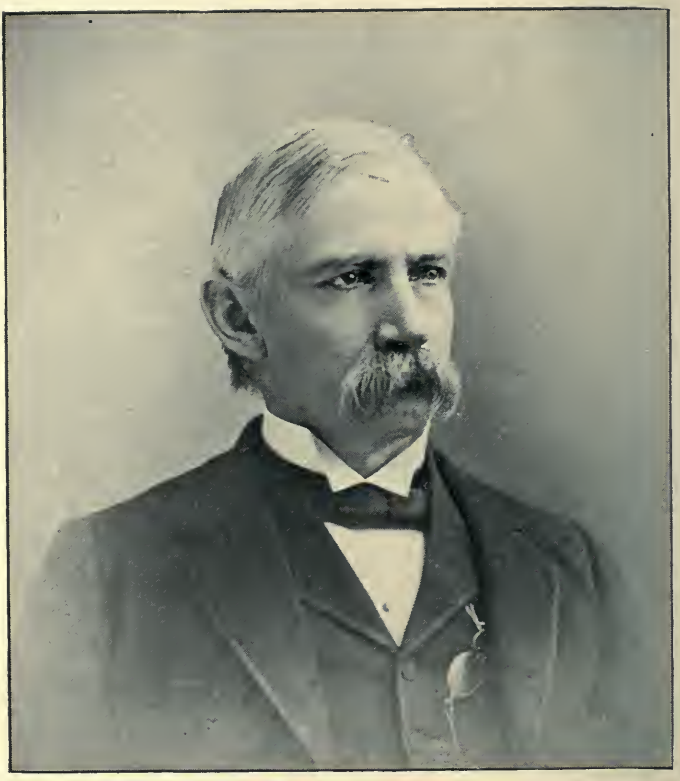
Thus encouraged, the Democrats entered the House of the Fifty-second Congress in jubilant mood, and with the determination to fulfil their pledge to the country to wipe out the odious McKinley Act, and substitute, as far as they could, an act which embraced their own views. It was not clear to their own minds what those views were, for they had taken different shapes in the various congressional districts, and had been graded off to suit localities and promote the successes of candidates, till they covered every note in the scale which began with outright free-trade and ended with modified protection. Mr. Cleveland's announcement that opposition to protection and the attitude of his party could be sufficiently expressed under the color of "tariff reform" gave but a poor cue to definite purpose, in the absence of a well-worded plank in a National platform. But with all this cloudiness as to precisely what should be done and how to do it, the fact still existed that enmity against the McKinley Act had composed the verdict of the country and that it would be craven to ignore a verdict which had been so emphatic.

The count of the House revealed the astounding result of a more than two-thirds Democratic majority. The party could, therefore, afford to be as bold and merciless in its legislation as it had been in the campaign. The pledge was upon it to vindicate the logic of the stump and the promises of leaders to relieve the country from the exactions imposed

by protection, and introduce an era of cheapened products and enlarged prosperity. Any failure to meet the plain pledges of the party to the people would be regarded as cowardice, and this especially in view of the fact that the Republicans of the preceding Congress, with their very slim majority, had set so significant an example of industry and promptitude in the passage of their favorite protective measure.

Thus, flushed with its successes at the polls and with a plain duty before it, the Democrats of the Fifty-second Congress, naturally rallied to their most cherished leader and strongly equipped man. This was Roger Q. Mills, of Texas, who had been the father of the "Mills' tariff bill" in the Forty-ninth Congress. He had shown wonderful ardor and indefatigable industry in the preparation of his bill, and had given it masterly advocacy. He had made an extended stumping tour in the Northern States, and had been outspoken in his views regarding the merits of free-trade and against the doctrine of American protection. He had done more to formulate and expound the antagonism to the protective idea than any other Democratic spokesman, and had thereby carried the confidence and respect of his party. His ability was unquestioned, and his economic views, so well defined, were pivotal in a situation such as now confronted his party and the country.

Under any ordinary circumstances, the devotion and number of his friends in the Congress must have easily elevated him to the high and responsible office of Speaker of the House. The honor was deserved and coveted. But the circumstances proved to be most extraordinary. The party stood in mortal fear of its own overwhelming majority—a majority raw in legislation, and of which each individual factor had been a sort of platform unto himself in the campaign.



WM. L. WILSON,

Chairman of House Committee of Ways and Means and Author of the Wilson Tariff Bill.

Born in Jefferson co, Va., May 3, 1843; graduated from University of Virginia in 1860; served in the Confederate army; for several years Professor in Columbian College; resigned and entered practice of law at Charlestown, W. Va.; elected President of West Virginia University in 1882; elected to 49th, 50th, 51st, 52d and 53d Congresses; in latter Congress served as Chairman of Committee on Ways and Means.

The dread arose lest coherence of views could not be effected, even with so masterful a mind as that of Mr. Mills in the Speaker's chair. His views had been pronounced. It was well known what he would do. He could not do else, in vindication of his past efforts, and out of respect to his present judgment and the pronounced verdict of the country than hew to the lines he had laid down for himself and his party in the Forty-ninth Congress.

With all its previous campaign boldness and all the emphasis of the late verdict in its favor, the party, when thus confronted with itself in legislative session, shrank from the ordeal which was of its own creation. Despite the loud call that had been made upon it, and the clamor within its ranks for prompt action, it trembled at the anticipation of framing a tariff bill which should stand as a square counter to the McKinley Act. Would not such action defeat itself by the uncertainties of the ground ahead, by the sowing of discords, by the conflict of sections? Would it not entail the opening of the silver question, and the passage of a "free coinage act," a measure insisted upon in the platforms of a majority of the Democratic States? But most of all, would not the experiment of entering upon such tariff legislation as the party demanded, and in view of the heterogeneous and crude elements which composed the overwhelming majority in the House, prove a demoralizing and dangerous one at a time when political lines were shaping up for the presidential campaign of 1892?

No doubt this last was the weightiest of all the considerations which entered into this extraordinary situation. At any rate, without noticeable diminution of the prevalent free trade or tariff reform sentiment of the party, or any manifest abatement of the expressed opposition to the doctrine of American protection as embodied in the tariff act of

1890, there came about a sudden and very marked change as to the expediency of precipitating a direct attack upon that measure. The party was confronted with a question of policy which eclipsed the importance of its late victory and overshadowed the sanctity of recent obligations. Had not the overwhelming victories of 1890 proven an earnest that they could be repeated with greater emphasis in 1892, and perhaps bear a President on their crests? Were there not already evidences of reaction in the public mind, and had not the calamities which were to follow the McKinley Act been overstated? Or, if not overstated, would not the bad features of the act crop out as time passed, and prove as so many additional arguments against it? What was the use of taking any risks as to a situation which promised to grow better if let alone, but which might be hopelessly spoiled if the party were once plunged into the sea of tariff breaking and making?

In the midst of a terror as to results of any positive action, the idea of policy took full dominion of the party, and after a long and acrimonious struggle over the speakership, Mr. Mills was sacrificed, and Mr. Crisp, of Georgia, was elected Speaker. This meant the abandonment of a full-fledged tariff bill as a counter to the McKinley Act, and the substitution of a series of minor and indirect attacks upon special articles and schedules of the act of 1890. The plan was not heartily endorsed by the party at large, and was even opposed by that conscientious and earnest element which refused to find in the glory of expediency an excuse for cowardice. Yet there was sufficient acquiescence to give to the plan the merit of holding party lines and opening the way for animated discussion of the tariff reform doctrines. If constituents expressed disappointment at the plan, they could readily be appeased by promises of greater

victories in the near future. To every charge that it savored of cowardice and surrender, the answer was ready that diplomacy was wiser than haste—to divide the enemy was to conquer it. It cannot be said that any of these excuses obscured for a moment that general justification of the plan, found in the fact that it was the surest one at hand for avoiding the danger involved in an opening of the whole tariff subject in a House with an overwhelming majority, composed of untried members, and each self-reliant and audacious in the face of magnificent victory.

The result of the plan was a series of separate tariff bills in the House, each having for its object the repeal or modification of special clauses of the McKinley Act. These minor bills served to draw animated debate and to emphasize the attitude of the Democratic majority. Of these, the Springer bill was most conspicuous and most earnestly debated, because it was supposed to foreshadow more clearly than any other the policy of the party as it would be projected into the coming presidential campaign. It placed wool on the free list, and reduced the duties on all manufactures of wool. All, or nearly all of these minor bills were passed by decided party majorities, and they all pointed in one direction, viz., toward a lowering or entire repeal of duties. Thus cotton bagging, cotton ties and gins, cotton bagging machinery, binding twine, tin and terne plates were placed on the free list. This peculiar method of attack, facetiously known as the " pop-gun " method, seemed to serve its purpose well. Though interest in it flagged as the session drew its weary length along, it was never at any time without a majority of pleased supporters, most of whom applauded its time-consuming features, and its admirable fitness for holding that situation in perfect abeyance

which might, otherwise, have been endangered by a general sweep of tumultuous forces.

The question has often been mooted as to how far Mr. Cleveland was responsible for this failure of the Democratic majority in the Fifty-second Congress to respond to the emphatic wishes of the people. Many leaders professed to see his fine hand through the whole of that stupendous manœuvre which rendered nugatory the expression of a direct tariff wish on the part of the entire Congress. Some laid the policy of inaction and delay to his desire to be at the fore again in his cherished battle of "tariff reform," as a presidential candidate, when hopes of victory would be brighter than ever before, and when nothing could occur to dim the honors of leadership. If all this be true, his sagacity was well proved, for there can be no doubt that the Democratic majority in the House of the Fifty-second Congress not only escaped the dangers it feared through excess of forces, but, consciously or unconsciously, paved the way for Mr. Cleveland's re-nomination.

The lustre of his championship of tariff reform, the making of it a party issue, the high hope he indulged as to its future success, the shrewd calculation on his part that the battles must be many and stubborn before a system so strongly entrenched as that of protection could be made to yield, were all as so many pointers toward his selection as leader for a second time. Indeed, they all came out with telling effect in the Chicago Convention of 1892. Nothing said of him there so conduced to his strength as a candidate as these words of the nominating orator:—

"The question has been asked, Why is it that the masses of the party demand the nomination of Grover Cleveland? Why is it that this man who has no office to distribute, no

wealth to command, should have stirred the spontaneous support of the great body of Democracy? Why is it that with all that has been urged against him the people still cry, Give us Cleveland? Why is it, though he has pronounced in honest, clear and able language his views upon questions upon which some of his party may differ with him, that he is still near and dear to the masses?

"It is because he has crystallized into a living issue the great principle upon which this battle is to be fought out. If he did not create tariff reform, he made it a presidential issue. He vitalized it, and presented it to our party as the issue for which we ought to fight, and continued to battle upon it until victory is now assured.

"There are few men in his position who would have the courage to boldly make the issue and present it so clearly and forcibly as he did in his great message of 1887. I believe that his policy then was to force a national issue which would appeal to the judgment of the people. We must honor a man who is honest enough and bold enough under such circumstances to proclaim that the success of the party upon principle is better than evasion or shirking of true national issues for temporary success. When victory is obtained upon a principle, it forms the solid foundation of party success in the future. It is no longer the question of a battle to be won on the mistakes of our foes, but it is a victory to be accomplished by a charge along the whole line under the banner of principle.

"There is another reason why the people demand his nomination. They feel that the tariff reform views of President Cleveland and the principles laid down in his great message, whatever its temporary effect may have been, give us a live and a vital issue to fight for, which has made the great victories since 1888 possible. It consolidated in one

solid phalanx the Democracy of the nation. In every State of this Union that policy has been placed in Democratic platforms, and our battles have been fought upon it, and this great body of representative Democrats have seen its good results."

This was the key to that logic of the situation which made Mr. Cleveland a further leader of the tariff reform forces, forces which were to be shaped for future and earnest battles. The Committee on Resolutions framed its tariff plank so as to reflect the wishes of the leader and not distort a perilous situation. They no doubt pushed their doctrine as far as they dared, but along conservative lines. Their tariff plank read:—

"We reiterate the oft-repeated doctrines of the Democratic party, that the necessity of the government is the only justification for taxation, and whenever a tax is unnecessary it is unjustifiable; that when Custom House taxation is levied upon articles of any kind produced in this country, the difference between the cost of labor here and labor abroad, when such difference exists, fully measures any possible benefits to labor, and the enormous additional impositions of the existing tariff fall with crushing force on our farmers and workingmen and, for the mere advantage of the few whom it enriches, exact from labor a grossly unjust share of the expenses of the government, and we demand such a revision of the tariff laws as will remove their iniquitous inequalities, lighten their oppressions and put them on a constitutional and equitable basis.

"But in making reduction in taxes, it is not proposed to injure any domestic industries, but rather to promote their healthy growth. From the foundation of this government, taxes collected at the Custom House have been the chief source of federal revenue. Such they must continue to be.

Moreover, many industries have come to rely upon legislation for successful continuance, so that any change of law must be at every step regardful of the labor and capital thus involved. The process of reform must be subject in the execution to this plain dictate of justice."

The above plank supported the traditions of the party and was believed to be sufficiently advanced to meet the views of all who did not find in the rather catching, yet vague, title of "tariff reform," a cover for out-and-out free-trade sentiments. But it did not please a majority of the Convention, to whom "tariff reform" had no meaning, who wished to express their disgust at the cowardice of the party in the last session of Congress, or who believed that the time had passed for further disguise of the fact that the real issue was one between "Free Trade" and Protection. This majority therefore agreed to make their departure then and there, cost what it might to the party. It was loudly hinted that in their rather desperate action they sought the defeat of Mr. Cleveland, but there was no warrant for this. They wanted an issue without disguises. They were confident of solid support in the South, where the Confederate Constitution had, in years gone by, enacted free trade. So they determined to throw the gauntlet squarely down and force protection to the wall. They did this by moving the following radical plank and voting it as a substitute for the one reported by the Platform Committee:—

"We denounce Republican Protection as a fraud—as a robbery of a great majority of the American people for the benefit of a few. We declare it to be a fundamental principle of the Democratic party that the government has no constitutional power to impose and collect a dollar for tax except for purposes of revenue only, and demand that the collection of such taxes be imposed

by the government when only honestly and economically administered.

"We denounce the McKinley tariff law enacted by the Fifty-first Congress as the culminating atrocity of class legislation: we endorse the efforts made by the Democrats of the present Congress to modify its most oppressive features in the direction of free raw materials and cheaper manufactured goods that enter into general consumption, and we promise its repeal as one of the beneficent results that will follow the action of the people in entrusting power to the Democratic party. Since the McKinley tariff went into operation there have been ten reductions of the wages of laboring men to one increase. We deny that there has been any increase of prosperity to the country since that tariff went into operation, and we point to the dulness and distress, the wage reductions and strikes in the iron trade as the best possible evidence that no such prosperity has resulted from the McKinley Act.

"We call the attention of thoughtful Americans to the fact that after thirty years of restrictive taxes against the importation of foreign wealth in exchange for our agricultural surplus the homes and farms of the country have become burdened with a real estate mortgage debt of over $2,500,000,000, exclusive of all other forms of indebtedness; that in one of the chief agricultural States of the West there appears a real estate mortgage debt averaging $165 per capita of the total population, and that similar conditions and tendencies are shown to exist in the other agricultural exporting States. We denounce a policy which fosters no industry so much as it does that of the Sheriff."

This bold announcement of sentiments to which a great party was asked to subscribe and upon which it was to stake the issues of a presidential campaign was received every-

where with surprise and consternation. It indicated such an advance as must have inevitably led to party schism and final defeat, had it not been possible to cultivate the saving thought that Mr. Cleveland, through his intense convictions and powerful personalism, could well afford to be a platform unto himself, and would undoubtedly repudiate what he found offensive in the above plank. Indeed he greatly modified and toned the asperities of the plank in his letter of acceptance, and gave the country the assurance that no war of extermination was contemplated against American interests. These were his words: "Tariff Reform is still our purpose; though we oppose the theory that tariff laws may be passed having for their object the granting of discriminating and unfair governmental aid to private ventures, we wage no exterminating war against any American interests. We believe a readjustment can be accomplished in accordance with the principles we profess, without disaster or demolition. We believe that the advantages of freer raw material should be accorded our manufacturers, and we contemplate a fair and careful distribution of necessary tariff burdens, rather than the precipitation of free trade."

This served to take the sting out of those savage sentences such as, "We denounce Republican protection as a fraud;" "That the government has no constitutional power to impose and collect a dollar for tax except for purposes of internal revenue;" "We denounce the McKinley tariff law as the culminating atrocity of class legislation," etc., etc., and to reconcile the results of the Convention to those who before regarded them as containing the seeds of political disaster. The campaign shaped up actively on this basis and with the result that Mr. Cleveland was elected, together with a majority of his party in both House and

Senate, thus giving to the Democrats their first full control of the government in thirty-two years.

So pronounced a victory brought the party squarely face to face with its platform pledges, and not a few of the more impatient leaders clamored for opportunity to strike a swift and sure blow at the fabric of protection. But Mr. Cleveland, in his inaugural, March 4, 1893, was by no means as decided in his tariff reform views as in his celebrated message of 1887. He generalized on the subject, and instead of direct attack on protection, spoke of the evils of paternalism. His language was: "The verdict of our voters which condemned the injury of maintaining protection for protection's sake enjoins upon the peoples' servants the duty of exposing and destroying the brood of kindred evils which are the unwholesome progeny of paternalism. This is the bane of Republican institutions and the constant peril of our government by the people. It degrades to the purposes of wily craft the plan of rule our fathers established and bequeathed to us as an object of veneration. It perverts the patriotic sentiment of our countrymen and tempts them to a pitiful calculation of sordid gain to be derived from their government's maintenance. It undermines the self-reliance of our people and substitutes in its place dependence upon governmental favoritism. It stifles the spirit of true Americanism and stupifies every enobling trait of citizenship."

This generalization betokened caution on the part of the newly elected President, and it was disappointing to those who anticipated an immediate joining of the issues as laid down in the party platform. It was evident that Mr. Cleveland was not going to be precipitate. Those who had supported him on the theory that he was stronger than his party, and with the faith that his conservatism in all things

could be relied on till the end; those Republican admirers who attributed to him a genius for statesmanship which only required an emergency to unfold, and which would then show its greatness by constructive, rather than destructive vigor—these looked upon his attitude thus far as a vindication of their judgments respecting him.

No doubt Mr. Cleveland acted wisely. He had witnessed the dangers that arose from a large, newly elected and incongruous House in the Fifty-second Congress. But then, no such central and radical plank touching tariff legislation had been made an issue. Now the elements were still more incongruous, for the political upheaval had come about by alliances with the populistic and communistic forces, and with the discontented of every political persuasion; and now too the verdict was such as to emphasize every expression of a national platform. He must get acquainted with these new men and forces, must see the sun after the storm of campaign and take fresh bearings for his administration.

We now reach that period, almost synchronous with Mr. Cleveland's inauguration, when great waves of commercial doubt swept over the country, when the conditions bordered on panic, when industries withered before a new political regime, when idleness, want and distress became the bitter portion of workingmen. These calamities had a cause, chief of which, as sentiment went, were the existence of the Sherman Silver Act, whose repeal was demanded by the anti-silver men of both parties, and that demoralizing uncertainty which was created by anticipating the overthrow of the protective system. Clamor arose for a special session of the Congress to bring about repeal of the Silver Act and if possible allay uncertainty by speedy action upon the Tariff. Notwithstanding the fact that this clamor was noisy and persistent, Mr. Cleveland proved irresponsive for a long time,

and it was as late as June 30, 1893, when he issued his proclamation calling the Fifty-third Congress into extra session on the 7th of August. This call mentioned the distrust and apprehension which pervaded all business circles, was causing great loss and damage to the people, threatening to cripple the merchants, stopping the wheels of manufacture, bringing distress and privation to farmers and withholding from workingmen the wages of labor. It attributed the perilous condition largely to a financial policy embodied in unwise laws, which must be executed till repealed by Congress.

Here was left open for the Congress, at its special session, the work of repealing both the Sherman and McKinley Acts. But when the Congress met and Mr. Cleveland laid before it his message, he limited the work of the session to the repeal of the Sherman Act, there being no allusion to Tariff Reform except in the concluding portion, where he said: "It was my purpose to summon Congress in special session in the coming September that we might enter promptly on the work of Tariff Reform, which the true interests of the country clearly demand, and which so large a majority of the people, as shown by their suffrages, desire and expect, and to the accomplishment of which every effort of the present administration is pledged. But while Tariff Reform has lost nothing of its immediate and permanent importance, and must in the near future engage the attention of Congress, it has seemed to me that the financial condition of the country should at once, and before all other subjects, be considered by your honorable body."

There would, therefore, have been an extra session called for the purpose of substituting a Tariff Reform Act for the McKinley Act. Mr. Cleveland was only driven from his purpose by the financial and industrial crisis which prevailed, and the imperative need of securing such relief as the repeal

of the Sherman Act promised to give. This last became a sole object of the special session, and had it not been so, the repeal of the Act might never have taken place.

But while the object of the session was thus exclusive, the groundwork of the bill which became known as the Wilson Tariff Bill was then and there laid. The election of a Speaker, the arrangement of committees, and such other steps as could be taken without interfering with the special object of the session, all pointed to early action on a tariff bill. This was especially so of the Committee on Ways and Means, with whom the bill was to originate. Hon. William L. Wilson, of West Virginia, was selected as chairman of this committee. This choice was deemed particularly pleasing to President Cleveland, if it was not dictated by him. The President had been for some time an admirer of Mr. Wilson, for his industry in the House, his ability in debate, and his grasp of tariff details. He was a scholarly man and a firm adherent of the doctrines found in the books as laid down and propagated by the free-trade school of statesmen. So far as fitness for the particular work in hand was concerned, the choice could hardly have fallen on better shoulders.

What time could be saved from the immediate work of the special session was given by this committee, or at least its Democratic majority, to the work of formulating a new tariff bill. When the session ended, the work was continued during the vacation, the object being to have it so far forward as to warrant its early introduction and passage at the first regular session of the Congress, which met in December, 1893. This object was achieved and the bill came into the House soon after the session opened.

A feature of the preparation of the bill was the adherence of the majority of the committee to a single purpose and

the exclusion of everything liable to interfere with that purpose. Great complaint was made that the various interests which were to be affected were not given sufficient hearing, or if so, that their facts and arguments were ignored. But it was not considered necessary to either hear fully or to favor at all, for the theory of the bill was the elimination of protection as far as possible and the establishment of a system of purely revenue duties, with as near an approach as circumstances would admit of by an enlargement of the free list to the doctrine of free trade.

Yet the bill fell far short of what had been claimed in the Chicago platform, that duties levied for protective purposes were unconstitutional, for many of the duties that remained were of a protective nature. Still, this may have been in the interest of certain sections and industries whose demand could not be denied for prudential or, more likely, political reasons. A characteristic of the bill was the almost universal departure from the principle of specific duties and the adoption of *ad valorem* rates. In this respect the bill copied the old Walker Tariff Act which went out of existence with the passage of the Morrill Tariff Act of 1861. It was against the introduction of this change of rate that the Republican opponents of the bill most strongly inveighed in both House and Senate, deeming the change a direct invitation to fraud upon the Government by the undervaluation of their goods by foreign exporters. But the counter contention was that it was equitable, and furnished a sliding scale of duties suited to the rise and fall of prices.

In general terms, the bill made sweeping reductions in duties as fixed in the McKinley Act, turned the lumber schedule practically into the free list, placed wool and coal on the free list, and brought all manufactures of wool far below the protective rate. The further enlargement of the

free list was effected by modifications in all the schedules, and most notably in those which embraced farm products. It struck an exterminating blow at the doctrine of reciprocity which had been incorporated in the McKinley Act, and under which nearly a score of treaties had been made with other countries, looking to reciprocal trade relations, and with, already, a great enlargement of trade.

But the most conspicuous, novel and unexpected feature of the bill was the introduction into it of the income tax clauses. These authorized the levying of a tax of two per cent. upon all incomes in excess of four thousand dollars. During the civil war a similar tax had been levied as a means of raising revenue at a time when expenditures were extraordinary and when every other source of revenue was being drained to the uttermost. It was deemed to be an emergency tax by the then Republican party, was justified only by overwhelming exigency, was classed as a war tax, and was promptly repealed after the emergency passed. So abhorrent was it to the generous and just sentiment of the country in time of peace, that after legitimate taxes became sufficient for the wants of the country, the unexpended moneys received by the Government from the income tax were refunded in part to the States whence they came.

This income tax had ever met with the bitterest hostility of the Democratic party. It had been denounced as the most tyrannical and exacting of all war measures and as wholly unjustifiable under any pretence. It had found no sympathy in any Democratic convention or platform, and not even a mention was made of it in the national platform of 1892. There was no evidence existing anywhere that the party had undergone a change of heart respecting this kind of taxation. But in the "financial and currency"

plank of the Populist platform, adopted at Omaha, the demand was made for "*a graduated income tax.*"

This doubtless furnished the inspiration for the incorporation of the income tax clauses in the Wilson Tariff Bill. It was demanded, not by true Democracy, but by those allies who had figured so formidably in the presidential campaign of 1892, and had contributed so materially to Democratic success. It was a demand of such a kind as to prove captivating to the South, where the blending of Populistic and Democratic doctrines was such as to obscure the political identity of both. In the after discussions of the bill, especially in the Senate, the Populist members laid bold claim to the fathership of the income tax feature, a claim which was not denied. It was therefore a concession to this political element, a very wide departure from recognized principles of Democracy, and a stultification of its past record as made up on the stump, in convention or in legislative halls.

Its one justification by those who fathered it was that the rich were not bearing their full share of the burdens of taxation. This was supplemented, by those who favored it and introduced it into the tariff bill, by the argument that an income tax would be a necessity, in as much as the tariff bill as then framed would fail to raise sufficient revenue to meet the wants of the Government. But this argument hardly reached the height of refined excuse, for the underlying principle of the Wilson Bill was to substitute a revenue for a protective tariff, and it struck the economic mind as remarkable that in the establishment of a principle so momentous and a doctrine so cardinal the one central feature of the bill, the revenue feature, should be so faulty as to wring a confession in advance that it was a failure.

The Wilson Tariff Bill came into the House under the

HON. ARTHUR P. GORMAN.

Born in Howard co., Md., March 11, 1839; appointed Senate page, 1852, and continued in service till 1866; served as Collector of Internal Revenue for Fifth Maryland District, 1866–69; elected as Democrat to Maryland Legislature, November, 1869. Re-elected 1871, and became Speaker of House; elected to State Senate, 1875; re-elected in 1879; elected to United States Senate, 1880; re-elected, 1886 and 1892; prominent exponent of Democratic thought and recognized leader; name familiar in connection with the Presidency; ability as an organizer conceded by all; member of Committees on Appropriations, Commerce, Inter-State Commerce, Printing, etc.; a director of Chesapeake and Ohio Canal Company.

heading, "A bill to reduce taxation, provide revenue for the government, and for other purposes." It was ably presented by Mr. Wilson in a speech which indicated close preparation and full familiarity with its contents. He justified the step indicated by the bill, by the doctrine that protection was opposed to the instincts of a free and prosperous people, that paternalism had proven harmful in widening the gap between labor and capital and in favoring classes at the expense of the masses. Passing over the various schedules of the bill, he explained the more important changes, and concluded by asking for the measure that support which his party was bound to give if it expected to redeem its pledges to the people.

Mr. Wilson's speech opened the parliamentary struggle. While he had sounded the key-note of argument, and while it was felt that the administration was heartily at the back of the bill, it became early apparent that it contained sources of weakness which might result in material modifications and make its passage tardy. It was not such a bill as pleased the out-and-out free-traders. It alarmed the conservative Democrats whose home interests were touched. It became the object of persistent and merciless attack by the Republicans, who found more to criticise in its inconsistencies than in its general aim. As was facetiously stated, it was a bill which met the views of few of its friends, yet which all subscribed to under the plea that they would support it as a party necessity and without regard to its intrinsic merits.

The question of its passage, therefore, became a question of holding the party together, of keeping up a quorum, of forcing issues as they arose. The rules of the House had been made exceedingly strong for this purpose, and the rulings of the Speaker were strenuous. But with all this it was

difficult to make the headway which the friends of the bill required. Interest flagged as the session progressed, and it became possible on the part of the opposition, by refusing to help the majority to keep up their quorum, to check all progress. This brought about a change of rules, and the adoption of that principle of counting a quorum which the Democrats had so bitterly opposed in the Fifty-first Congress.

Thus fortified, and with the idea dominant that the bill was a party necessity, it moved more rapidly toward its passage, and with few opportunities for amendment, though amendments were numerously proposed. The heavy, dangerous end of the bill was that which contained its income tax feature. While this was the object of special attack by the Republicans, as giving to the bill a sectional and revengeful feature, and as being at odds with all ideas of justice and a discouragement to frugality, it encountered even more intense hostility within the lines of Democracy, though that hostility was rendered innocent by the fact that, obnoxious as the feature was, it would be voted for. As a sample of this hostility, and because the language is bolder than that of any Republican opponent, we quote from the speech of Hon. T. L. Johnson, of Ohio:

"As a measure for collecting revenue from income this is a very poor measure. The only thing about it that is not bad is that it is not a bad companion to the tariff bill emanating from the same committee. It is marked by the same want of clear principle, the same indecision, and, if I may use the word, the same slouchiness.

"In itself, and for itself, and by itself, I am opposed to any income tax. I am opposed to any income tax, because all income taxes, even the best of them, are wrong and undemocratic in principle, because they involve another horde

of official tax-eaters and require inquisitorial methods. It is better to tax men on what they have than on what they need, but in itself it is wrong to tax men on what they have. The true principle is to tax men, not on what they have, but on what they have that belongs to all—to tax them, not in proportion to what they may have honestly earned or saved, but in proportion to the special advantages which they are suffered to enjoy. There is an enormous difference, a difference in kind, between what a man gets by his own exertions without any advantage over his fellows, and what a man gets by reason of special advantages accorded him over his fellows. This bill and all similar bills make no such discrimination.

"But a discrimination *is* made in this bill—a discrimination as to the amount of income. The whole strength of the proposition depends on that. There is no one here who would venture to support for its own sake a bill which proposed to tax all incomes, or even all incomes above so small an amount as to bring the great body of his constituents under its provisions. The strength of this bill lies in its exemption of income up to $4,000. It is not consistent in this, for it ruthlessly taxes, without any exemption, the little incomes of widows or orphans or aged people drawn from corporate stocks or bonds, but they are few and have but little political power. The great feature of the exemption is that it is purposely made high enough to exempt the great mass of voters. It is an attempt of the many to tax the few; of the majority to impose special burdens upon the minority, and that without any claim of right, without any assumption that there is any difference save amount in the incomes that are to be taxed and the incomes that are to be exempt.

"Mr. Chairman, this is not Democracy; it is communism!

I am willing to accept communism for a while, as a relief from protectionism, which is a one-sided communism plus cant; but I shall not shut my eyes in doing so. The only clear principle in this bill is that the rich should be taxed *because* they are rich. If we admit this principle as right in itself, where shall we end? Such a road leads on to the social condition of those semi-barbarous countries where no one dare show any sign of the possession of wealth unless he heavily bribes government officials.

"I protest as a Democrat and as a Democrat of Democrats, a single-tax man, against any discrimination against the rich, as I have protested and do protest and will protest against any discrimination against the poor. Democracy means justice or it means nothing. It means equal rights to all, and in this it means equal obligations on all."

After a little less than two months of discussion in the House the Wilson Tariff Bill was passed (Feb. 1, 1894) by a large and almost strictly party majority, augmented by the Populist strength. The vote stood 204 for, to 140 against, but 17 of the latter being Democrats. The dominant forces had been kept well in line, considering the contrariety of opinions, and the passage of the bill was heralded as an administration triumph. It was now ready for its second ordeal, and the great problem was how it would fare in a body of conservative tendencies, and where there was a very slim majority to rely upon. In the Senate it passed into the hands of the Finance Committee, and was referred to a Sub-Committee composed of Senators Mills, of Texas, Jones, of Arkansas, and Vest, of Missouri. It had been bitterly denounced by the Republicans in the House as the boldest stride toward free-trade made since the celebrated Walker bill of 1846, as a sectional bill framed in the interests of the South and containing a cruel blow at the wealth and industry

of the North, and as utterly ruinous to American prosperity. If so, it was surely now in the hands of cherished friends. This Sub-committee was unfortunately composed in a geographic sense, representing, as it did three contiguous Southern States, none of which had large commercial or manufacturing interests at stake. But no doubt it had been prudently chosen for the purpose of accomplishing the object in view. At any rate, it went about its work with apparent earnestness but in a way which led to loud public censure. On the plea that to open its doors to hearings would lead to waste of time and to indefinite postponement of conclusions, it refused those hearings to the manufacturing interests which had been confidently expected and usually granted. True, an attempt was made to remedy this defective method of procedure by sending out circulars inviting opinions as to the effect of changes in rates of duty, but the complaint was still general that the answers, which could not be satisfactorily framed in this way, were treated with indifference or wholly neglected.

After a period of suspense, which was intensified by the condition of the country, an outline of such bill as the Committee had agreed upon was tentatively reported. It at once became the object of fierce attack by the Republicans in the Senate. It drew one or two tests of strength from the majority, sufficient to show that it would be dangerous to push it further. So, while the measure was not directly recalled it was given out that the Committee had under advisement a more complete and satisfactory bill. This bill was to be a revelation and sensation. It was no longer the Wilson bill, and hardly a semblance of it, being transformed by amendments numbered at four hundred.

These amendments were brought about in a way which cannot be historically explained. So far as Conservative

Democratic Senators were concerned, they urged the importance of such concessions as would insure the speedy passage of the bill and give relief to the country. These concessions were not only for reasons existing within the party, but for the purpose of modifying the ferocity of the Republican attack. Interests which had been denied a hearing were now considered and many of them obtained concessions which were of great value, if not entirely satisfactory. Several articles such as coal, etc., which had been turned over to the free list were turned back to the dutiable list, every such change being a departure from the spirit of the original bill and tending to make it more confused and anomalous as a simple revenue measure. The situation in the Senate got to be like that in the House. Every friend of the bill was dissatisfied with it, yet willing to support it for the sake of party.

Thus far in the history of the Wilson Tariff Bill it had escaped the taint of bargain and sale. But now it was to prove a source of scandal. The charge was made that representatives of the Sugar Trust, including Mr. Havermeyer, the President, had secretly visited members of the Senate Finance Committee, and had had interviews with other prominent Senators, the result of which was a modification of the sugar schedule in the interest of the Trust, by which it would reap great profits, estimated as high as $30,000,000. These profits were to be realized by placing a duty on sugar, but postponing its collection till Jan. 1, 1895, thus giving the Trust a chance to stock up without duty, but at the same time to advance the price of refined sugar to the extent of the duty. The charge was further made that the Secretary of the Treasury had personally written, or dictated, a change in the sugar schedule in accordance with the wishes of the Trust. The charge was

further made that the Trust demanded and obtained this valuable concession in pursuance of a pre-existing agreement with the leaders of the Democratic party that its interests should be protected for the consideration of a gift for campaign purposes in 1892, estimated at $500,000. It was also charged that information respecting the work of the Finance Committee had been sent out secretly to New York brokers, and that Senators had taken advantage of this leakage to speculate in Sugar stocks.

The publication of these charges created quite a sensation, dragged the high character of the Senate in the mire, and cast a taint on tariff legislation. The newspaper men, who had made the exposure, were called before a Senate Investigating Committee, and on refusing to give the names of their informants, were turned over to the criminal Courts to be tried for contumacy. The Sugar magnates were called, who verified the charge that they had given money, but to State, and not to National campaigns, in amounts they could not remember. They testified that such gifts were a matter of business with them and that they expected corresponding benefits. Other witnesses testified in a modified way, and some with very proper and natural excuses, to the truth of what had been charged, while even Senators, when called, did not in every instance place themselves beyond the suspicion that they had taken advantage of the situation to turn a penny in sugar-stock speculations.

These revelations were a terrible blow to national pride and every sense of honor and honesty; but they did not serve to loosen the grip which the Trust had on the Senate. They served rather to explain, what had before been a rumor, that the position of the Trust was so strong that the fate of the entire tariff bill depended on its getting the protection it wanted. They also served to explain the indiffer-

ence of the Trust to the Sugar schedule when the bill was in the House, at which time it was given out that the Trust depended on the Senate for such protection as it desired. Moreover they intensified the opposition to the bill in general, for the taint, like mildew, spread to other parts of it, especially to the internal revenue clauses relating to the taxes on whiskey and beer.

This favoritism of a gigantic Trust was made all the more inexplicable by that clause in the Democratic National platform of 1892, which reads, "We recognize in the Trusts and Combinations which are designed to enable capital to secure more than its just share of the joint product of capital and labor a natural consequence of the prohibitive taxes which prevent the free competition which is the life of honest trade, but believe their worst evils can be abated by law, and we demand the rigid enforcement of the laws made to prevent and control them, together with such further legislation in restraint of these abuses as experience may show to be necessary."

Debate went on for months with more or less acrimony, very often with great ability, and with gradual modifications of the bill in the shape of increased duties and added inconsistencies. As time passed the desire became stronger to pass it and get it back to the House, where its fate was felt to be in doubt, but where the hope centered that agreement upon it could be had through the medium of a Committee of Conference representing both Houses.

When the Income tax portion was reached in the Senate it precipitated the strongest of debates and as had been the case in the House, the bitterest opponents of the tax were Democrats themselves. The speeches of Senators Hill, of New York, and Smith, of New Jersey, were remarkable for their vigor and ability. The ground taken by Mr. Hill was

not only economically important, but showed the great danger to the party likely to spring out of this kind of legislation. In one of his ablest and most earnest speeches he said:—

"We have now reached the consideration of one of the most important features of the pending measure. Important not only because the tax which it seeks to impose equals in the aggregate about one-fifteenth of the whole Federal taxation of the United States, but because of the peculiar nature of the burden, as well as the vast and varied interests which it injuriously affects. With all due respect to what has been said in favor of this tax by distinguished Senators, it is confidently submitted to the Senate that the arguments presented in opposition to the necessity, justice and advisability of any such tax have never been successfully answered. The arguments have been evaded, but not refuted.

"In the first place, considered from the mere standpoint of political expediency, it was unwise to incorporate an income tax in a reform bill. There were honest differences enough already existing among party friends relating to the details of legitimate tariff legislation which necessarily had to be reconciled without going out of our way to seek fresh causes of contention in an effort to incorporate this tax, an experimental scheme of taxation at best, upon a measure for the revision of the tariff. The Democratic party was substantially united in favor of tariff revision, but it is well known that irreconcilable differences of opinion existed concerning the propriety of restoring a war tax in time of peace, and yet in spite of such recognized differences and in the face of the protests of Democratic constituencies and against the advice of public men who have never faltered in their devotion to true Democratic principles, this income

tax feature has been engrafted upon this measure and we are persistently asked to accept it against our better judgment as a condition of obtaining any tariff legislation.

"It would have been good politics to have avoided this unnecessary issue. Prudence dictated that this Congress should not attempt to formulate new Democratic doctrines to which we have never been committed. Rather should it carry out the pledges that we have already made. Perhaps I over-estimate the importance of party platforms and appreciate too keenly the binding obligations of party pledges. I believe it is the solemn duty of a political party to redeem the promises upon which it obtained power and that repudiation thereof will sooner or later bring disaster upon it at the hands of a betrayed and indignant people.

"We have recently seen a Democratic House of Representatives refuse to repeal a Federal tax upon State bank circulation, such repeal having been expressly favored in our national platform, while the same House went out of the way to inject a Populistic income tax into a Democratic Tariff bill and the Senate is now asked to ratify a portion of such inconsistent action. For one, I protest against the repudiation of the promises of the Democratic party in order to adopt and carry out the promises of the Populist party."

Senator Hill said that it was also imprudent and unjust to engraft the income tax provision on the Tariff bill because it was a well-known principle of legislation to keep revenue and appropriation bills free from experimental and extraordinary legislation. The provision was a fulfilment of no Democratic doctrine or promise. If considered at all it should have been introduced and acted upon as a separate measure. "I am tempted to suggest," continued Mr. Hill, "that the Democrats of Oregon recently sought to test the

popularity of an income tax among the business men and electors of that State by inserting in their platform a clause favoring that tax; and awaking to their sense after the election they discovered that their ticket was third in the race; that their party was demoralized and that they had divided themselves instead of dividing their opponents. The most disastrous defeat ever experienced by the Democratic party in Oregon was the result of the effort to substitute new-fangled Populistic principles for the good old principles of true Democracy. Here and now I venture the prediction that the same result will follow the same effort everywhere."

In answer to the argument that England had long maintained an income tax and consequently it would be a wise policy in this country. Mr. Hill ridiculed the idea that the United States should copy its legislation from a country whose form of government, natural surroundings and obligations were essentially different. He maintained also that England tolerated rather than approved the income tax and that frauds and perjuries under that law were frequent.

"The advocates of an income tax," said Mr. Hill, "fail to appreciate the important and controlling fact that Tariff or Federal taxation is not the only taxation in this country. In addition to Federal taxation there exists State, county and municipal taxation to which every man of property is more or less subjected, and that such State, county and municipal taxation combined exceeds in amount the whole Tariff taxation of the general government by over $260,000,000.

"We have no right to shut our eyes to these facts. In framing a system of Federal taxation, which shall justly and equitably reach the citizens and property in the respective States of the Union, it becomes our first duty to inquire

as to what general system of local taxation exists in the States. Is there a tax upon consumption there, or a tax upon property? These are most pertinent questions to which we should carefully address ourselves. In the first place, we should seek to avoid duplication of taxation. The general system of taxation among the States is a direct and *ad valorem* tax on real and personal property. In addition to these some States have taxes on corporations, incomes, etc. Some other system should be used by the Federal Government. What other is left? The Constitution answers the question. Congress is expressly given the power to impose an indirect tax in the form of revenue tariff duties, and this power is expressly prohibited to the States.

"This is essentially a war tax. Heretofore we, as Democrats, have clamored against it and others like it. Look at the spectacle which we now present. If this is true Democracy, I want none of it. If this is the best leadership which we can present in this great crisis, I, for one, must decline to follow. I prefer to stand with Jefferson and Jackson and Tilden in opposition to all income taxes and direct Federal taxation, but in favor of a revenue for Federal purposes and direct taxation for State purposes.

"I repudiate the spurious Democracy of these modern apostles and prophets, who are part Mugwump, part Populist, and the least part Democratic, who seek to lead us astray after false gods, false theories and false methods. I object to our restoring a war tax which the Republicans themselves rejected years ago with our approbation. I protest against that lack of foresight and judgment upon the part of some professed Democrats who always seem anxious to adopt whatever the Republicans and people have repudiated.

"Mr. President, I cannot follow such leadership, which

shifts and turns and temporizes upon every public question; which compromises every well established Democratic principle for which the party contended when out of power; which stands ready to adopt every passing 'ism' of the hour; which surrenders principle for expediency, and pursues no consistent course from one year to another. If political success of my party is only to be purchased by such methods and such sacrifices, I prefer defeat and the preservation of my self-respect.

"Mr. President, the national victory of 1892 meant a reduction of the tariff; it did not mean an income tax. It did not mean an invasion of State rights, a usurpation of State privileges, nor the abrogation of State sources of taxation. It did not mean direct taxation on the part of the general Government. It meant a tariff for revenue—a reasonable reduction in tariff duties, the substitution of revenue duties for prohibitory duties wherever the latter existed, the placing of raw materials upon the free list, and the restriction of the revenues to be raised to the actual necessities of the Government. This was the policy to which the party was solemnly committed."

After speaking of the indebtedness of the Southern States, and the desire of the Senators therefrom to fasten this burdensome tax on the North, Mr. Hill said:

"They have taken pains to fix the exemption high enough so that their States will be compelled to contribute little or nothing. It is the great Democratic State of New York which they are after. Is the State to be punished? Its chief city—which has always been the target for every Republican attack—is now to be raided by its own party friends in Congress. The State which has ever been friendly to the South and its people, which has ever defended their Constitutional rights and prerogatives, the State which has

always opposed force bills, carpet-bag governments, Federal elections laws, arbitrary arrests and Federal interferences in State affairs; the State which is one of the only three Northern States which have a full Democratic representation in this Senate and thereby gave the Democratic party its control here.

"This is a tax, the imposition of which will drive New York, New Jersey and Connecticut into the Republican column, there to permanently remain; a tax—the individual feature of which has not been recommended by any Democratic President, or Secretary of the Treasury, or Commissioner of Internal Revenue, but a tax suggested, advocated, and now persistently pushed by a majority which is temporarily 'in the saddle' in this Congress, and is driving the Democratic party with reckless and headlong speed into the abyss of political ruin.

"I respect what is called public sentiment when it is right, but I detest and defy it when it is wrong, unreasonable and arrogant. It should never be allowed to swerve us from our sense of official duty. We should not mistake a healthy and an honest public sentiment for a mere clamor, an outburst of passion, or a freak of prejudice.

"This is no time to yield honest convictions in order to make dangerous experiments in revenue legislation, in the vain effort to satisfy a discontented class who always want a grievance and who will clamor against your government and your administration and against property and against riches just as loudly and persistently after this sop shall have been thrown to them as before. In their mad haste to attack the rich, the champions of the income tax either intentionally or inadvertently assail the poor."

In his speech upon the same subject, Mr. Sherman, of Ohio, said he did not deny on general principles the equality

and justice of making the rich bear their just burden of taxation. But to the States belongs the right to tax incomes of individuals only as a last resort. No such dire necessity existed to-day. The Government had ample sources of revenue without resorting to an income tax and invading the States' realm of taxation. There was in the income tax a touch of the worst and most vicious form of socialism, said Mr. Sherman. In this country where all men are equal this tendency toward socialism, this arraying of the poor against the rich should be discouraged by public men rather than pandered to.

With respect to all this talk of the enormous accumulations of wealth within recent years, he said he did not believe there had been any accumulation of wealth within the last five years. He sketched the enormous growth of wealth that had followed the building of railroads and the development of the country's resources. But now railroad property was becoming like turnpike and bridge property. Railroads were practically operated now only for the people. Scarcely any railroad stocks were valuable; railroad fortunes were disappearing like snow before the summer sun. The railroad lines of the country could be duplicated for one-third of their cost; for one-fifth of their paper (bond and stock) values.

"The great devilish invention of the age," Mr. Sherman said, "devilish in all its ends and aims as far as the people were concerned was the trust. A few men were banding themselves together here and there to control production in some particular line of industry. They crushed opposition and absolutely controlled prices, making themselves multi-millionaires. Take the Sugar Trust. The controllers of that organization with an actual investment of $9,000,000 watered to $75,000,000 had been able to pay even on this

immense watered stock annual dividends of from 6 to 12 per cent. per annum. Every dollar had been taken from the pockets of the people. If the Senators in charge of this bill desired to aim a blow at the aggregation of wealth, let them strike at these unholy trusts and combinations."

The following is a summary of the main arguments against the income tax used during the debates:—

(1) An income tax had no legitimate place in a tariff reform bill and embarrassed those who desired to support a tariff reform measure, but who could not conscientiously support an income tax. (2) An income tax was neither Democratic or Republican in principle; it had never been approved by the public; it was a doctrine of Populism, and it was the votes of the Senators of that party by which it was expected to attach it to this bill. (3) It was unnecessary, as the debate had shown that sufficient revenue would be raised without it. (4) It was a direct tax and therefore unconstitutional. (5) It was unequal, unjust and sectional in its operation, being urged by those States least affected, a tax on the thrift and energy of the North rather than on accumulated wealth. (6) It revived an odious war tax. (7) Its exemptions stamped it as an offensive piece of class legislation, either all incomes should be taxed or none. (8) The exemption unjustly discriminated, it exempted $635,000,000 of United States bonds, but taxed State bonds, it exempted the incomes of individuals when less than $4,000, and denied the same exemption where the incomes came from corporate investments. (9) It was retroactive. (10) It usurped a field of taxation rightfully belonging to the States. (11) It was inquisitorial and offensive. (12) It violated the Constitution in taxing the incomes of corporations whose revenues went partly to the support of the States. (13) It would lead to a conflict between State and

national authority. (14) It would lead to an increase of the direct taxation of the States. (15) It creates a class, it selects a special class for Federal taxation. It is the first step toward creating a moneyed aristocracy, which, under the guise of aiding in its support, will destroy it.

The Populist Senators were persistent and aggressive in their support of the income tax clause. They believed and asserted that the tax was favored by the great masses of the people, and that it was one of the few items in the bill about whose justice and propriety there was no division of opinion among the adherents of the two great political parties. They averred that the laboring classes and those with moderate incomes were firmly convinced that the rich did not bear their share of the taxes, and that the brunt of meeting the expenses of the national and local governments fell on the citizens who were least able to pay. They argued that officials who had to do with the public moneys raised from taxes were corrupt, and that this gave to the wealthy man an advantage over the poor man by enabling him, through use of his money, to secure lower assessments and other favors.

They used, with every confidence as to their accuracy, and with all the persuasiveness possible, a set of figures, showing that seventy citizens of the United States owned an aggregate wealth of $2,700,000,000, or an average of $37,000,000 apiece; that one estate was valued $150,000,000; five were valued $100,000,000 each; and others at various sums running from $70,000,000 down to $20,000,000. These figures they compared with those of Great Britain where Baron Rothschild left an estate of only $17,500,000, Lord Dudley one of only $20,000,000, and the Duke of Buccleuch, the richest man in Scotland, one of only $30,-

000,000; there being in the entire United Kingdom but 104 estates whose business profits exceeded $250,000 a year.

As the summer of 1894 wore on, and there was a prospect of the passage of the Wilson Bill in the Senate, all parties interested became anxious to know how it would be received on its return to the House. There was much probing of sentiment to ascertain this, and it must be confessed that at first the feeling was decidedly adverse, and that many disciplinary lessons would be required in order to win support for it. Mr. Tarsney, of Missouri, one of the Democratic members of the Ways and Means Committee, when asked what would be the result of a conference on the Sugar question, said: "That is more than I can tell. Our committee (Ways and Means Committee) has not had any consultation on the subject, and I do not know what will be the outcome. One thing is certain, however, and that is that there is a very much larger majority in the House in favor of free sugar, both raw and refined, than there was when the vote in the House was taken on the subject. Then you will remember there were nearly three to one in favor of free sugar.

"The scandalous disclosures made on this subject by the Senate Investigating Committee will certainly strengthen the feeling in the House in favor of free sugar. But at the same time our object is to pass a tariff bill. If we cannot get a bill through the Senate without conceding the demands of the Sugar Trust, then that will have to be taken into consideration in agreeing on a report in Conference Committee."

Mr. Bryan, another member of the House Committee on Ways and Means, said that he was opposed to granting anything to the Sugar Trust, but if it were necessary to adopt

the Senate sugar schedule to get the bill to the President, then he should vote for that schedule.

Representative Hall, of Missouri, another Democrat, speaking on this subject, said:—

"I am unalterably opposed to granting the demands of the Sugar Trust. That rapacious monopoly evidently thinks that it has bought the influence of the leading men in each party without the knowledge of the leading men in the other party. Mr. Havemeyer's testimony before the Senate Committee was the most outrageous statement that I ever read, coming from the head of a great corporation. He confessed that the price of sugar is fixed in New York, and that the Trust has put money into politics where it will do the Trust most good. I think the newspaper charges were justified, and I shall certainly oppose to the utmost extent of my ability any concession to this outrageous and infamous monopoly."

Representative Baily, of Texas, said:—

"After the revelations before the Senate Committee, I, for one, am ready to stay here until November to defeat that sugar schedule. No party can stand under the load of that concession to the Sugar Trust. Mr. Havemeyer's testimony gives ugly verification of the charge of undue influence on the part of the Sugar Trust in politics. I can hardly believe that the House will ever consent to pass a bill that contains that Sugar Trust schedule."

Mr. Dockery, of Missouri, said:—

"The House is overwhelmingly opposed to either tax or bounty on sugar. It was so when the bill passed the House and it is so now. If anything, the feeling is stronger for free sugar now than it was then. There is the voting strength, therefore, to non-concur at the outset in the Senate sugar amendments, and to keep non-concurring as often as

the Conferrees report failure to reach an agreement. With this overwhelming sentiment and voting strength for free sugar, it would seem to assure a very determined stand on the part of the House."

Said Mr. Warner, of New York:—

"I believe in remaining right here at our desks until the fourth of next March rather than surrender to the Senate sugar schedule. I think, moreover, that the House is certain to make a resistance which will compel the Senate to yield. It will be hot weather in Washington, and a protracted struggle will bring many discomforts, but it will not be half as hot for Congressmen here as it will be for them in their districts if there is a tax on sugar. Our constituents and our editors are for free sugar, so that members can be serving their districts best by remaining here until the Senate is forced to yield.

"The Senate schedule gives protection as well as a revenue duty to the refiners. The House will never accept anything of that sort. It will have either free sugar or else sugar that is at least free of protection to the refiners."

Representative Hatch, of Missouri, said:—

"My judgment is that the House ought to emphasize its position on sugar. And yet I believe any bill which comes out of the Conference Committee will be so far ahead of the McKinley Bill that I will be ready to surrender my views on one, two or three articles in order to secure a bill. It is a bill we want, a bill."

These extracts show that the members of the House who had favored the passage of the Wilson Bill had not abated any of their hostility toward the doctrine of protection in general, and, moreover, that they fully understand the attitude the Sugar Trust had assumed in legislation; that is, to make the ultimate passage of the bill depend on the

presence of the rates of duty they wished to incorporate in it. With the Trust it was seemingly the Senate legislation or no legislation. With the party in power it was seemingly a tariff bill, no matter how incongruous nor what its features, or a confession to the country of inability to legislate, which meant violation of all its promises and pledges, and ultimate ruin.

The dilemma was one soon to be solved by the passage of the bill in the Senate, on July 3d, by a vote of 39 yeas to 34 nays, the Populists voting with the Democrats in the affirmative, and Senator Hill, of New York, voting with the Republicans in the negative.

The bill, with its very numerous amendments and its countless transformations, now went back to the House. The understanding already existed that debate upon it was not to be opened there, but that it would be referred to a Committee of Conference. The Senate seemingly anticipated disagreement on the part of the House by being in the field first with Conferrees, composed of four Democratic and three Republican members of the Finance Committee, three of the four Democrats being from the Southern States. On July 7th a motion of non-concurrence in the Senate bill, which by reason of its metamorphosis had come to be designated as the Gorman–Brice Bill, was carried, and on motion involved the question of reference to a Committee of Conference in accordance with the request of the Senate. The Speaker appointed as the seven Conferrees, on the part of the House, four Democratic and three Republican members of the Committee of Ways and Means, to wit: Wilson, W. Va.; McMillan, Tenn.; Turner, Ga.; Montgomery, Ky.; Reed, Me.; Burrows, Mich.; and Payne, N. Y. An effort was made in the House to instruct its Conferrees to make a separate report on the sugar schedule, but it failed.

In his speech upon the motion to non-concur, Mr. Wilson said the Senate bill came back to the House with some 634 amendments. "Whatever may have been its imperfections when it left the House, it was based on two clear and intelligent principles: (1) that in gathering revenue taxes under a tariff, those taxes should be levied on finished products and not on what is called raw material; (2) there can be no just and equitable system of taxation except when based on the value of the thing taxed." Continuing, he said that the bill, as it came from the Senate, did not represent the first of these principles, because it transferred to the tax list quite a number of articles which the House desired to give free to the working people of the country. Only wool and lumber came back undisturbed by the Senate. As to the second of these principles, the House had fixed the duties at *ad valorem* rates, but the Senate had changed them to specific and compound rates. He asked the Conferrees on the part of the House to go into the Conference with the spirit of fair and honest dealing with Senate amendments, yet at the same time with fidelity to party pledges, to the trust of the people who sent them as their representatives.

The Democratic members of the Conference Committee took the bill in hand, to the exclusion of the Republicans, for the purpose, as alleged, of first going over it to see wherein agreement could be speedily had. There was much friction as to the departure of the Senate from the principle of *ad valorem* duties, but in this contention the Senate was the stronger, for it was supported by the fact that nearly every civilized government in the world had adopted the principle of specific rates. But, aside from this question of a general principle, the committee found grounds for agreement in many of the schedules, and the

work progressed slowly but satisfactorily for a time. Soon, however, it became manifest that a serious hitch was to occur over the sugar schedule, and the articles of coal and iron ore, all of which were free in the House bill, as a matter of party pledge and economic principles, but which had been made dutiable in the Senate bill, on the plea that thus only could its passage be secured in that body, yet under the general charge of the Republicans, and of the ablest representatives of the Democratic press, that the change had been made in pursuance of campaign agreements to protect the Sugar Trust.

The bill had now reached one of the most critical points in its history, and the developments which marked its progress from this time on were the most interesting in connection with economic legislation, even if they did not indicate a permanent schism of the dominant party. What startled most the moral sense of the people was the fact that the criminations and recriminations of the Democratic factions helped to confirm the suspicion that the bill was by no means a true reflection of a majority sentiment, but a mere measure of expediency, framed, or rather adopted, on the principle that something must be done rather than nothing; and further, that the schedules over which differences were most irreconcilable and bitter had been dictated by the trusts and syndicates in pay for past and prospective favors.

On July 19th a report of the disagreement of the Committee of Conference was presented to the House. In presenting the report, Mr. Wilson remarked that if the Conferrees on the part of the Senate had been as free and untrammeled as those of the House, an agreement would have been possible. He said further:—"There are important amendments proposed by the Senate which give to

this bill in the main a different character from what it had when it went from the House, on which amendments we seem up to this time to be irreconcilably divided, and it is because of these amendments and because of the statements made to us in all kindness and courtesy, and I might almost say in sadness, that such was the condition of affairs at the other end of this Capitol, that unless this House was willing to accept the Senate bill practically and substantially as it passed the Senate there was to be no tariff legislation at this session of Congress. We did not feel, representing the House of Representatives, that we could, without a sacrifice of its dignity and of its equality as a legislative chamber, respond to any such proposition as that. Least of all did we feel that in the great question of taxation, resting by the very theory of free institutions and by the language of the Constitution as a peculiar and original trust on the representatives of the people, that we could for one moment entertain and agree to such a proposition.

"Aside from that question, the differences between the bill as it passed the House and the bill as it comes back to us from the Senate, are so marked, are in the main so objectionable to the tariff reformers in the country generally, that we could not, without the guidance and the instruction of this House, agree to accept those differences and thus adopt a different and modified scheme of tariff reform. . . .

"It remains for me simply to add, that the chief points in controversy between the Representatives of the dominant party in the two Houses and thus between the conference committees of the two Houses was, first, the sugar schedule; next, the duty upon iron ore and upon coal, and the duty upon silver-lead ores and some of the duties in the woollen schedule, and especially to some of the duties of the iron and steel schedule, prominently those upon

pig-iron, upon steel rails, and upon cutlery and structural iron. But the great difficulty in the pathway of an agreement has been a proper adjustment of the sugar schedule. This House voted for free sugar, raw and refined. It voted down the proposal of the Committee on Ways and Means for a gradual repeal of the bounty and a reduction by one-half of the duty upon refined sugar. The Senate has reintroduced into the proposed tariff bill a sugar schedule which, whether truly or not, has been accepted by the country, by the press, by the people as unduly favorable to the great Sugar Trust. It proposes a duty of 40 per cent. *ad valorem* on all grades of sugar, a differential of one-eighth of a cent upon refined sugar, in addition to a differential of one-tenth of a cent on sugar imported from countries that pay an export bounty upon their sugar. There is reasonable ground for difference of opinion among Democrats as to whether any duty upon sugar should be placed in our tariff bill or not. It has always been contended by those who have been leaders in the great tariff reform movement in this country, that of all the articles yielding large revenue sugar was the one article upon which an ideal Democratic revenue tax could be placed. . . . . .

"If it be true, as stated by the gentleman from Ohio (Mr. Johnson)—of which I have seen myself some affirmations in the press—if it be true that the great American Sugar Trust has grown so strong and powerful that it says that no tariff bill can pass the American Congress in which its interests are not adequately guarded; if, I say, that be true, I hope this House will never consent to adjournment. I hope, whatever the result of the general tariff bill is, that this House will not consent to an adjournment until it has passed a single bill putting refined sugar on the free

list." In conclusion, Mr. Wilson delivered a glowing tribute to President Cleveland, and then astonished the House by reading a letter from him, written as early as July 2d, 1894, and before the passage of the tariff bill in the Senate. The letter was addressed to Mr. Wilson, and had been in his private keeping for some time. It was made public with Mr. Cleveland's consent. It was so remarkable in itself, and led to such serious consequences, that it came to be regarded as one of the most momentous chapters in the history of the Wilson Tariff Bill, if not one of the boldest of Executive attempts to influence legislation. It read:—

"My Dear Sir:—The certainty that a conference will be ordered between the two Houses of Congress for the purpose of adjusting differences on the subject of tariff legislation makes it also certain that you will be again called on to do hard service in the cause of tariff reform.

"My public life has been so closely related to the subject, I have so longed for its accomplishment and I have so often promised its realization to my fellow countrymen as a result of their trust and confidence in the Democratic party that I hope no excuse is necessary for my earnest appeal to you that in this crisis you strenuously insist upon party, honesty and good faith and a sturdy adherence to Democratic principles. I believe these are absolutely necessary conditions to the continuation of Democratic existence.

"I cannot rid myself of the feeling that this conference will present the best if not the only hope of true Democracy. Indications point to its action as the reliance of those who desire the genuine fruition of Democratic effort, the fulfilment of Democratic pledges and the redemption of Democratic promises to the people. To reconcile differences in the details comprised within the fixed and well-defined lines of principle, will not be the sole talk of the con-

ference; but, as it seems to me, its members will also have in charge the question whether Democratic principles themselves are to be saved or abandoned.

"There is no excuse for mistaking or misapprehending the feeling and the temper of the rank and file of the Democracy. They are downcast under the assertion that their party fails in ability to manage the Government, and they are apprehensive that efforts to bring about tariff reform may fail; but they are much more downcast and apprehensive in their fears that Democratic principle may be surrendered.

"In these circumstances they cannot do otherwise than to look with confidence to you and those who with you have patriotically and sincerely championed the cause of tariff reform within Democratic lines and guided by Democratic principles. This action is vastly augmented by the action, under your leadership, of the House of Representatives upon the bill now pending.

"Every true Democratic and every sincere tariff reformer knows that this bill in its present form and as it will be submitted to the conference falls short of the consummation for which we have long labored, for which we have suffered defeat without discouragement; which in its anticipation gave us a rallying cry in our day of triumph, and which in its promise of accomplishment is so interwoven with Democratic pledges and Democratic success that our abandonment of the cause of the principles upon which it rests means party perfidy and party dishonor.

"One topic will be submitted to the conference which embodies Democratic principle so directly that it cannot be compromised. We have in our platforms and in every way possible declared in favor of free importation of raw materials. We have again and again promised that this should

be accorded to our people and our manufacturers as soon as the Democratic party was invested with power to determine the tariff policy of the country.

"The party now has that power. We are as certain today as we ever have been of the great benefit that would accrue to the country from the inauguration of this policy, and nothing has occurred to release us from our obligation to secure this advantage to our people. It must be admitted that no tariff measure can accord with Democratic principles and promises or bear a genuine Democratic badge that does not provide for free raw material.

"In these circumstances it may well excite our wonder that Democrats are willing to depart from this, the most democratic of all tariff principles, and that the most inconsistent absurdity of such a proposed departure should be emphasized by the suggestion that the wool of the farmer be put on the free list and the protection of tariff taxation be placed around the iron ore and coal of corporations and capitalists. How can we face the people after indulging in such outrageous discrimination and violation of principles?

"It is quite apparent that this question of free raw material does not admit of adjustment on middle ground, since their subjection to any rate of tariff taxation, great or small, is alike violative of Democratic principle and Democratic good faith.

"I hope that you will not consider it intrusive if I say something in relation to another subject which can hardly fail to be troublesome to the conference. I refer to the adjustment of tariff taxation on sugar.

"Under our party platform and in accordance with our declared party purposes, sugar is a legitimate and logical article of revenue taxation. Unfortunately, however, incidents have accompanied certain stages of the legislation,

which will be submitted to the conference, that have aroused in connection with this subject a natural Democratic animosity to the methods and manipulations of trusts and combinations. I confess to sharing in this feeling; and yet, it seems to me, we ought, if possible, to sufficiently free ourselves from prejudice to enable us coolly to weigh the considerations which, in formulating tariff legislation, ought to guide our treatment of sugar as a taxable article.

"While no tenderness should be entertained for trusts, and while I am decidedly opposed to granting them under the guise of tariff taxation any opportunity to further their particular methods, I suggest that we ought not to be driven away from the Democratic principle and policy which lead to the taxation of sugar by the fear, quite likely exaggerated, that in carrying out this principle and policy we may indirectly and inordinately encourage a combination of sugar-refining interests. I know that in present conditions this is a delicate subject, and I appreciate the depth and strength of the feeling which its treatment has aroused.

"I do not believe we should do evil that good may come; but it seems to me that we should not forget that our aim is the completion of a tariff bill, and that in taxing sugar for proper purposes and within reasonable bounds, whatever else may be said of our action, we are in no danger of running counter to Democratic principle. With all there is at stake, there must be in the treatment of this article some ground upon which we are all willing to stand, where toleration and conciliation may be allowed to solve the problem without demanding the entire surrender of fixed and conscientious convictions.

"I ought not to prolong this letter. If what I have written is unwelcome, I beg you to believe in my good intentions.

"In the conclusions of conference touching the numerous items which will be considered the people are not afraid that their interests will be neglected. They know that the general result, so far as they are concerned, will be to place home necessaries and comforts more easily within their reach and to insure better and surer compensation to those who toil.

"We all know that a tariff law covering all the varied interests and conditions of a country as vast as ours must, of necessity, be largely the result of honorable adjustment and compromise.

"I expect very few of us can say, when our measure is perfected, that all its features are entirely as we would prefer. You know how much I deprecated the incorporation in the proposed bill of the income feature. In matters of this kind, however, which do not violate a fixed and recognized Democratic doctrine, we are willing to defer to the judgment of a majority of our Democratic brethren. I think there is a general agreement that this is party duty.

"This is more palpably apparent when we realize that the business of our country timidly stands and watches for the result of our efforts to perfect tariff legislation, that a quick and certain return of prosperity waits upon a wise adjustment, and that a confiding people still trust in our hands their prosperity and well-being.

"The Democracy of the land plead most earnestly for the speedy completion of the tariff legislation which their representatives have undertaken; but they demand not less earnestly that no stress of necessity shall tempt those who trust to the abandonment of the Democratic principle.

"Yours very truly,

"GROVER CLEVELAND."

This letter gave rise to a variety of comment, most of which was hostile. It threw the warmest friends of the Wilson Bill into panic, through fear that it would widen the breach between the two Houses and thus defeat its object, or the passage of any tariff measure at all. Republicans and most constitutional lawyers regarded it as effrontery, or something worse, on the part of the President. Said Representative Burrows, of Michigan :—

"I think it the rankest violation of the privileges of the House ever perpetrated in the history of this Government. The independence of the three branches of our Government is fundamental. The Constitution of the United States provides how the President shall communicate with both houses. The method employed to-day is not one of them. I have known members of the House to be called to order and compelled to take their seats for attempting to influence by suggesting the view of the President on the pending matter. If that is a breach of order, what will be said when the President attempts to instruct a Conference Committee in the midst of their deliberations to settle the difference between the two Houses?"

But as the letter was intended as a blow at the Senators of Democratic faith, whose actions in imposing duties on articles which had been made free in the House bill were characterized as "alike violative of Democratic principle and Democratic good faith," it was they who were most interested in the letter and incensed at its contents. They could not understand how the President could prove so vindictive and so free to charge bad faith, when he had been consulted relative to the changes in the Senate bill and had given Senators to understand that they had his concurrence. Some of them, such as Senator Gorman, of Maryland, looked upon the letter as a personal drive at them, and determined

to resent it. Senator Hill, of New York, who had all along been one of the bitterest opponents of the President, found comfort in the letter, inasmuch as it suited his views as to the Democratic doctrine of free raw material. The Republicans, after an analysis of the letter, saw in it a concession of the President to trusts of all kinds—to the Sugar Trust, in his plea for a duty on sugar; to the Nova Scotia Coal Syndicate, in his plea for free coal: and to the Cuban Iron Syndicate, in his plea for free iron ore. It was quite clear all round that the President had thrown himself into the House scale, and that the future of the tariff bill was to be an issue with the Senate.

Under the House rules, the bill was referred back to the Senate, where it became the subject of acrimonious debate, not between parties, but Democratic factions. Senator Smith, of New Jersey, boldly criticised the President for violating the principles of his party in attempting to interfere with the prerogative of the legislative branch of the Government, but declared that he should never be intimidated by threats from the President or by the utterances of his party associates at the other end of the Capitol, which had been so uproariously applauded. He called attention to the difference between the situation in the House and the Senate. He reviewed the events in the House which culminated in the passing of the bill with the loss of seventeen Democratic votes in that body. In the Senate all was changed. Every Democratic vote was needed to pass a bill if it was to be passed as a party measure, and the members of the Finance Committee went heroically to work to harmonize the differences existing in the Democratic side. They had accomplished that purpose, to their everlasting credit be it said.

He had been one of those who had stood out for conces-

sions in the interests of his constituents. He made no concealment of his position then; he made none now. He then proceeded to deliver a glowing eulogy of the tariff bill as it passed the Senate, which, unlike the House bill, he declared, contained no menace to the industries of the country and had not been framed by men from sparsely settled districts, who knew nothing of the great commercial interests of the United States. He asserted that the framers of the House bill and a large portion of the Democratic party were not tariff reformers; they were free traders. Personally, he said, he believed in the theory of free raw materials; but at a time when miners were hardly able to keep the wolf from the door, on the heels of the greatest mining strike in the country's history, he did not believe that the Democratic party could afford to run the risk of striking down this vast industry.

Senator Vest's (Mo.) arraignment of the President was still more severe. He began by reading from Mr. Cleveland's letter of acceptance in 1892, pronouncing in favor of freer raw material. "Yet now," said Mr. Vest, "he denounced freer raw materials as perfidy and dishonor." He had been the President's friend; he had defended him on the floor of the Senate when his friends could have been counted on the fingers of one hand. Where did the President get the right to dictate to Congress—to denounce one branch of Congress to the other?

Did he embody in his single being all the Democracy, all the tariff reform sentiment in this country? Mr. Cleveland was a big man. But the Democratic party was greater than any one man. It had survived Jefferson, Madison, Jackson; it would survive Grover Cleveland. Under what clause of the Constitution did Mr. Cleveland get the right after a bill had been sent to "full and free" conference

between the two Houses to make any appeal to his party friends to stand by his individual views?

But it remained for Senator Gorman, of Maryland, to rebuke the President in the severest terms and at the same time present the strongest defence of those Senators at whom the President aimed in his letter. He showed how the representatives from the manufacturing and mining States of New York, New Jersey, Maryland, West Virginia and Ohio, had refused to support the House bill, and how an adjustment on the basis of the Senate bill had been brought about by concessions. He said that "in patriotism the Democrats of the Senate had gone to work to save the country and keep their party in power, when suddenly in the midst of the struggle came the President's letter.

"It was most uncalled for, the most extraordinary, the most unwise communication that ever came from a President of the United States. It placed this body in a position where its members must see to it that the dignity and honor of this Chamber must be preserved.

"It places me," said Mr. Gorman, "in a position where I must tell the story as it occurred. The limit of endurance has been reached."

Senator Gorman then went on to detail the history of the tariff bill after it came into the Senate, showing how Senators Jones and Vest had had frequent conferences with Secretary Carlisle and the President during the progress of the work; how Secretary Carlisle had endorsed the completed bill; how no one who had been consulted ever suggested that the bill was in violation of Democratic principles. Mr. Gorman called on Senators Vest, Jones and Harris to substantiate the truth of what he said, and each of them arose in his place and did so.

After this dramatic vindication, Senator Gorman again

denounced the President in unmeasured terms, saying that never, since the Declaration of Independence, had a President of the United States been guilty of such a violation of the Constitution. He read from Washington's farewell address the paragraphs relating to the encroachments of the Executive on the powers of Congress as subversive of the principles of the Republic. "Conference Committees," he said, "should be free from all outside influences. The liberty of the Senate should not be invaded though a thousand hirelings write us down and traduce us." He then arraigned the House for not coming to the Senate with clean hands. The House had repeated the cry of the President for free coal, free iron, and free raw materials: yet it had acted with inconsistency in placing other free raw materials on the dutiable list. He denied that it was either Democratic doctrine or in accordance with the Democratic platform to place coal and iron on the free list. The platform of 1884 did not demand free raw materials.

The Mills tariff bill placed a duty of seventy-five per cent. on coal. In the Convention of 1888, a resolution was adopted indorsing the Mills Bill. Mr. Cleveland accepted it and stood on it. In the Convention of 1892, Mr. Cleveland's friends prepared a resolution commending the House for going in the direction of free raw materials. But the radicals prepared and carried a counter resolution, such as appeared in the platform, designed to defeat Mr. Cleveland's nomination. It failed of its aim. The President carefully scanned that platform, and felt, as did all his friends, that its extreme utterances on the tariff would jeopardize his election. "To my personal knowledge," said Mr. Gorman, "after a conference of Mr. Cleveland with his friends, he deliberately and wisely said, in the line of all precedents and of all the declarations he had made, of all

the declarations that his party had ever made, in the exact line of all legislation from Jefferson down to Grover Cleveland in 1884, 'We will not destroy any industry; we will remodel the tariff; we will give lower duties; we will even the burdens on the people, and we will give freer raw materials, not free raw materials.' There it stood. As I have said once before in the Senate, but for that declaration I do not believe that Mr. Cleveland could have carried the country and been elected President of the United States."

Mr. Gorman then defended the duty on coal, as imposed in the Senate bill, because of its revenue features, and because free coal would not benefit a single man or woman in the country, but would give to a single corporation control of the entire coal trade from Boston northward. But one great concern wanted free coal, and that was the coal syndicate which had bought up and consolidated the leases of the Nova Scotia mines, designing to enrich the treasury of Canada by a royalty of 12½ cents a ton, and themselves by displacing the coal trade of the United States in New England. If they enriched themselves, they ought not to do it at the expense of the United States Treasury. "God knows," said he, "we have enough trusts. I will never allow this mammoth foreign corporation to invade our territory and take the subsistence away from our people."

Senator Gorman then referred to the sugar schedule of the bill, and showed how necessary it had been to fix the rates as found therein, in order to hold the majority in the Senate and secure the passage of the bill there. He said that on the eve of the campaign of 1892 the Louisiana Senators were anxious to know what the policy of the party would be under the radical plank in the Chicago platform. They had been told by Mr. Cleveland personally, practically what was afterwards published in his letter of accept-

ance, that the Democratic party was not to destroy industries, that it would place a fair revenue duty on dutiable articles, and that it would act along the lines of the Mills Bill. He, Gorman, Brice, Smith and other Senators and leaders had given their time, talent and money to the campaign, with this understanding, and with the further understanding that sugar was a properly dutiable article. The Louisiana Senators were given to understand this by the Democratic organization. "Yes," was the answer to them, "it is a dutiable article; it is to be, and must be the cornerstone by which we will overthrow McKinleyism. You shall have it." Continuing, Mr. Gorman said: "In all my public career, no man ever charged me with perfidy. No soul can say that I ever made a promise about public or private matters that I did not carry out if I had the power to do it. These two Senators and myself, carrying out the pledge of our party, whose candidate was indorsed by us, have stood here and been gibbeted as three men who were in a sugar trust. It is due, sir, to those with whom I am associated to say that no man here would believe such a thing, but it is due to the man who writes the history that he shall have the truth of the transaction.

"The conferrees in this matter on the part of the Senate have a great duty to perform. There are almost irreconcilable differences. But I want them to say to the conferrees on the other side, 'Now, above all other times, gentlemen, the law must be observed. Harmony can only be had by standing by the letter of the law. You, who make laws with us, must not violate them. There is in this case the written and unwritten law to which there is no exception, and that is, that when one house proposes to change an existing statute and the other refuses to go so far, the House making the radical demand shall give way. That is

the law. That is the custom. Whenever it is insisted upon, there is no escape from it if you intend to have legislation.

"You can say, Mr. Chairman (addressing Senator Voorhees), that in this body now, where we have only one majority among the Democrats, that the great State of Ohio, the State of New Jersey, the State of New York and the States of Louisiana and Maryland, step out to the front and tell the public frankly what ought to have been told only in private, and to say that within the borders of the States I have named, while they number only five or six, there is more manufacturing industry than in all the States which demand this radical change. Say to them that at this time, when the whole world is ablaze with revolution in industrial affairs, and want and distress are felt, these Senators have said to you they cannot go further; they prefer to make a mistake for too high rates rather than to have them too low; that it is wise statemanship, true patriotism to make the mistake and make the tax too high and let these laboring people go to work, rather than to make it too low and then try to keep them all in order, too, with deputy marshals and soldiers."

Senator Gorman's denunciation and defiance of the President caused great excitement in the Senate and made a deep impression on his party and the public. It turned the indictment of the Senate, contained in the President's letter, into an indictment of the Executive. If there had been deceit anywhere, it was with the President and not with the Senate. Of course Mr. Cleveland was defended by his friends in the Senate, but they could not break the force of Mr. Gorman's attack. The gage of battle was down, and there could be no surrender with honor, till Time came with her balm for the wounds and bruises of the fierce conflict.

The Democratic majority in the Senate was now in such an interminable wrangle that it was forced to the expedient of calling a caucus to map a course for the future. The caucus met on July 24th, and, after a two days' session decided to send the tariff bill back to the Conference Committee without instructions to the Conferrees, the prevalent feeling being that no greater calamity could befall the party than to fail to pass any tariff bill at all. It took several days to secure the sanction of the Senate to the caucus decision, so close was the vote in that body, and so fearful were the majority of any test not made wholly under their auspices. But on July 27th the resolution of reference passed, by the slimmest of majorities, and the Senate was happily rid a second time of the load that had been long worrying it, and that had grown heavier with each day's carrying.

Again, in the conference, the situation was, at first, the same as before. The Senate Democratic Conferrees were not prepared to make concessions. Mr. Wilson, on the part of the House, was as emphatic as before in his opposition to the Senate bill. Under these unfavorable auspices, the conferences were brief and uninteresting for a time, though the impression daily grew that, with the help of the President, who seemed to be now entire master of the House situation, early and important revelations might be expected.

Pending the conference discussions, the Senate Committee appointed to investigate the charges of Senatorial collusion with the Sugar Trust, made a report which exonerated all Senators from the odium of speculating improperly in sugar stocks, and cleared the Senate itself of the charge of legislating to suit the interests of the Sugar Trust, in consideration of money advanced for campaign purposes. There was a minority report to the effect that the evidence

showed that the Sugar Trust had made campaign contributions for corrupt purposes, and that it had secured the very legislation it desired. But the whole investigation had been so partial, not to say farcical, and the conclusions reached were at such odds with the testimony as published from time to time, that the report was classed by friend and foe among those evasive and mysterious efforts which have come, in political parlance, to be designated as "white-washing."

The Conference Committee on the tariff bill held almost daily sessions with little show of agreement till August 6th, when the Democratic members of the House, in a disappointed and disgruntled mood, resolved to call a Caucus, as the Senate had previously done, to agree upon and force a line of procedure which would end the dead-lock and eventuate in a bill satisfactory to both Houses, or rather, one which could be passed in both. Though this Caucus had not the sympathy of such leaders as Mr. Wilson and Speaker Crisp, it was, nevertheless, attended by 166 of the Democratic members, many of whom were very determined to shape matters so as to bring about an early result. But by means of conciliatory speeches and promises of an early agreement by the Conferees, the Caucus was induced to stay hasty and positive action, and the resolutions that had been prepared were not passed. Mr. Wilson's position in the Caucus was that a crucial point in the negotiations of the Conferees had been reached, and at this critical stage it would be very unfortunate for the Caucus to start any movements which looked like interference with the duty of the Conferees. He appreciated the necessity of passing a tariff bill, and believed that ample time should be taken to accomplish that result. He feared that any such action as the House Caucus proposed would be to cause the Senate

to recede entirely from the Conference. Speaker Crisp regarded the proposed action of the Caucus as a "back-fire" from its own House.

The general effect of the Caucus was to spur the Conferees on the part of the Senate to sharper action, for it became apparent that a motive existed on the part of the House Conferees to consume more time than could be spared, if the Senate was to hold to the points it had gained. The sympathy of the Executive was so decidedly with the House, and the influence that could be wielded was so great, that dalliance on the part of the Senate was an invitation to defeat of its measure. Consequently the Senate Conferees made an overture to place iron ore on the free list. This was met by a counter proposition on the part of the House Conferees to put coal on the free list. The Senate Conferees refused to accept this proposition, and again the Conference was as much at sea as ever. Thus matters stood till August 10th, when the Conference broke up without agreeing to meet in further session. On the 11th the House Conferees met and endeavored to hold another joint session with those of the Senate, but the latter did not respond. There were several methods of procedure open to the House Conferees at this critical juncture, and that especially, since they were in physical possession of the bill, but the one that seemed to be most appropriate and forcible was to make the surrender which seemed to be inevitable, agree to pass the Senate bill as it stood, and trust to the future for vindication.

This action was, however, not deemed absolutely safe till after an expression of party opinion in a Caucus called for the purpose. Accordingly a call was circulated and a Caucus called for Monday, August 13. The sentiment of the Caucus was that policy dictated the surrender of the

House to the Senate, and on the same day the House passed the Senate bill without change, by a vote of 182 yeas to 105 nays, the vote being a party one with the exception of twelve Democrats who voted in the negative. At the same time, and under rules framed for the purpose, a series of "pop-gun" bills were passed by the House which placed coal, iron ore, sugar and barbed wire on the free list. This was done as a protest against the position the House had been forced into by the Senate, and with a view to future political effect, as no serious thought existed anywhere that the Senate would consider such bills favorably; or even countenance the design embraced in their passage by the House.

The attitude thus assumed by the House was regarded as humiliating in the extreme. None felt the blow more keenly than Mr. Wilson, the father of the bill, who said, on making the motion of surrender:

"I do not pretend that I am gratified at the outcome of this prolonged controversy. I do not pretend that up to the very last moment I had not cherished the hope and the faith that we should reach another and a better and a more satisfactory conclusion of this conflict between the two houses of the American Congress. I had hoped and believed until there seemed no ground scarcely for hope or belief, that in such a contest this House, backed by the American people and enthusiastically sustained by the Democratic party, would be able to achieve some honorable compromise between the two houses, which we could have accepted, not from a sense of duty, but with a sense of satisfaction and a feeling that we had responded to the mandates of the American people."

Speaker Crisp and other Democrats took a more optimistic view of the situation and strongly advocated the sur-

render. Mr. Cockran, of New York, Johnson, of Ohio, and other exponents of Democratic faith, bitterly denounced the surrender, characterized it as inglorious, and as calculated to cause the country to doubt the sincerity of Democratic convictions and the ability of the party to solve successfully the economic problems it had in hand. The Republicans very naturally took advantage of the opportunity afforded them to point out Democratic inconsistency and weakness, and they made it the occasion for some of their most satirical and brilliant speeches. President Cleveland came in for a large share of animadversion as well as of satire by those who regarded the surrender as more that of the Executive than the House, and his share in contributing to it, by means of his unwise letter to Mr. Wilson, as larger than that of any other one man or body of men.

The remarkable action of the House, as well as the general tenor of the bill, drew forth many opinions, and provoked the widest newspaper discussion. Very few Democrats were pleased with the result. Many expressed themselves for publication in the bitterest and angriest manner. Their leading party papers could not see how such a consummation could have been reached, after the bold utterances and solemn pledges of the Chicago platform; after the very pronounced views and advice of President Cleveland upon tariff reform; after such distinct victories for the party in 1890 and 1892; after the shameful exposures of the operations of the sugar, iron and coal trusts, and their dominancy in party affairs; after the pointed letter of the President setting forth the departure from the Wilson Bill as an act of "party perfidy and dishonor;" after a year of heated discussion and earnest effort.

Said Speaker Crisp:—"All things considered, I think the programme decided upon to-day is the best that could have

been chosen under the circumstances. We did not decide to take this action until the last moment, and stood firm until the last hope had vanished."

Said Senator Vilas :—"The bill is no sufficient performance of Democratic promises. It is a reduction in the duties in the McKinley law, but, I am strongly inclined to think, only substituting another 'ism' for McKinleyism."

Mr. Wilson gave his views of the situation thus :—"I cannot see where we failed to do anything we could do to bring about a better result. When I have done the best according to my capacity and judgment I must fall back on the consciousness of duty done. The difficulty which the country must recognize is that on the tariff question we did not have a Democratic Senate, and whatever has been gained has been wrested from a protection body. I have been willing to take any, even the most desperate chances, that gave the least hope of success in getting rid of the most objectionable Senate amendments, and would have fought to the 4th of March with any ground to stand upon and any following to sustain me. We have been confronted by a Senate with closed ranks, while we have had divisions from the beginning that have been fomented from the Senate, and the growing impatience of the members to get back to their districts with anything that might be called a tariff reduction bill has made them unwilling to stay unless promise could be given of assured or most probable victory. We could not honestly give such promise, and a man cannot continue a battle with his army ready and eager to break away."

Republican sentiment was tersely expressed by Representative Burrows thus :—"The Senate bill is a most infamous piece of legislation in that it protects special industries, trusts and combines, but the method of its consumma-

tion is even more offensive and is without a parallel in legislative history. The bill constitutes simply a mask behind which the Democratic party attempts to conceal its real purpose of free trade, that it may deceive the people in the approaching election."

And by Senator Aldrich thus:—"The result is not astonishing. The House and the President have always been confronted with the alternative of no legislation or the Senate bill. This responsibility has always rested upon them. The time and the method of the surrender to-day surprised me because there was no necessity of giving up at this time. The friends of the Administration and the tariff reformers in the House were stampeded by claims of the Democratic managers in the Senate. From a political standpoint it seems to me that the Administration and the House have blundered. The bill will now go to the country with the emphatic denunciation of a majority of the Democratic press, which has with a unanimity concurred in the expression of the President that the measure was perfidious and dishonorable. From a practical standpoint the bill, as it passed the Senate, with all its discriminations and indefensible provisions, is preferable to the House bill."

What the country needed most at this juncture, and after its long agony of waiting, was a settlement of the tariff issue. This it demanded, not more as a relief from suspense than as a means of needed recuperation from a period of severe depression. All parties were a unit on this point. But the passage of the Wilson Tariff Bill, or to be more exact, the Gorman-Brice Senate Bill, did not prove to be such a settlement as was promised and expected. It was a bill which had been tortured out of original shape, and twisted from original intent by amendments, substitutes, and counter influences. It had been rendered intricate, errone-

ous, and impossible of clear and speedy execution. It had been emasculated by compromises. The very best that could be said of it by its warmest friends was that it was a break in on the principle of protection, an entering wedge, an encouragement to further agitation, a successful skirmish preparatory to the greater battle, a presage of larger victory. All of which, while hopeful for a cause, was the opposite of what the country had been yearning for through the midnight of crisis. There had been no settlement of a vital issue, but, instead, the prospect of further unsettlement.

The curiosities of legislation respecting the bill were not yet ended. When the House "pop-gun" bills were sent to the Senate, they were met there by advices from the Secretary of the Treasury to the effect that any change in the sugar schedule looking toward placing sugar on the free list, and the same was said of coal and iron ore, though they were not so important, would reduce the revenues of the government below its expenses. The Senate was glad to accept this as a justification of its past action, and as a reason for paying no attention to the House bills.

And now that the whole question of a tariff was in the hands of the President, much speculation arose as to what he would do with the bill. His illness took him away from the Capital for a time. This fact only served to increase the speculation and anxiety. After his favoritism toward the original Wilson Bill, his stout adherence to tariff reform, his hostility toward the Senate bill, and his denunciation of its adherents and advocates, the opinion was widespread that he could do nothing to save himself from stultification and uphold his reputation for firmness, but veto the bill outright. Another current of opinion viewed such action as suicidal in a party sense, and saw no duty ahead for the Executive but to approve the bill. A subdued branch of

this sentiment inclined toward that indefinite and shirking sanction found in the permissive clause of the Constitution, making a bill a law after the lapse of ten days, both Houses being in session. The fact that the President remained absolutely non-committal, added to his absence, and the further fact that every day the bill remained unsigned enured to the enrichment of the sugar and whiskey trusts, intensified the anxiety respecting the fate of the bill, and multiplied probabilities.

The President, after his return to Washington in better health, refused to relieve the tension. Both Houses agreed to adjourn on August 28th, at 2 P. M. The bill drifted into a law at midnight of August 27th, without the President's signature. The only sentiment he made public respecting its fate was in a letter, dated August 27, to Mr. Catchings, of Miss., and Mr. Clarke, of Ala., in which he said that he felt the utmost disappointment at being denied the privilege to sign such a bill as he had hoped to see passed —one which embodied Democratic ideas of tariff reform. He did not claim to be better than his party, nor intend to shirk any of its responsibilities, but the bill contained provisions not in the line of "honest tariff reform," and also "inconsistencies and crudities which ought not to appear in tariff laws." He would not separate himself from his party by a "veto of tariff legislation which, though disappointing, was still chargeable to Democratic effort." Besides, there were incidents attending the passage of the bill in its latter stages which made every "sincere tariff reformer unhappy;" and which "ought not to be tolerated in Democratic reform counsels." Yet he looked on the bill as a "barrier against the return of mad protection," and a "vantage ground for further operations against protected monopoly."

As the President proceeded in his letter he grew more

animated and caustic, saying that he took his "place with the rank and file of the Democratic party, who believe in tariff reform and who know what it is, who refused to accept the results embodied in this bill as the close of the war, who are not blinded to the fact that the livery of Democratic tariff reform has been stolen and worn in the service of Republican protection, and who have marked the places where the deadly blight of treason has blasted the counsels of the brave in the hour of their might. The trusts and combinations—the communism of pelf—whose machinations have prevented us from reaching the success we deserved, should not be forgotten nor forgiven. We shall recover from our astonishment at their exhibition of power, and then if the question is forced upon us whether they shall submit to the free legislative will of the people's representatives or shall dictate the laws which the people must obey, we will accept that issue as one involving the integrity and safety of American institutions."

The letter concluded with an exhortation to adhere to the principle of free raw material as one cardinal with Democracy, and a censure on those who refused to place coal and iron on the free list. The letter met with wide discussion and received the severest criticism of the President's party associates, some of whom denounced it as more fatal to Democratic political prospects in the pending Congressional elections than his Wilson letter had proven to the cause of tariff reform. They refused to see in it an excuse for not signing the tariff bill, and looked upon the entire party situation as far more complicated and serious than if the President had signed the bill and withheld all comment.

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